HISTORICAL STUDY REGARDING THE PROTECTION OF CONSUMERS WITHIN THE ELECTRIC ENERGY AND NATURAL GAS MARKETS

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Abstract

The supply of electric energy and natural gas is a service of general interest, with a vital importance in satisfying the consumer’s basic needs. The conducted research is descriptive and its main focus is on the study of the field literature, aiming at aspects such as identifying the historic evolution of the electric energy and natural gas markets in Romania, the behaviour of companies operating on these markets and their impact on the consumers’ rights. The research methodology has been established starting from a synthetic analysis of the most recent published studies on the observation of the European policy in the energy field and EU’s efforts to build up a single, competitive market, including two sectors that not long ago were dominated by monopolistic national actors: electric energy and gas. The research methods imply study monitoring and reports as well as forecast analyses regarding the capacity of the Three Energy Packages, once implemented, to support the creation of competitive, transparent and uniformly regulated energy markets within the EU countries, in order to ensure the protection of the consumers of these general interest services.

The research has a dual approach, combining quantitative and qualitative elements as well as conducting the analysis of the correlations between the efforts and effects registered in the field of consumer protection. The first section of the article offers conceptual clarifications regarding both the European policy in the energy field and the consumers of general economic services. The second section gives an insight into the energy and gas markets in Romania as well as the main obstacles in the way of their liberalization. The third section presents the efforts made with respect to consumer protection in the field of energy, analyzing the European Directives’ fundamental ideas regarding the protection of consumers and the phase of their embedment into our legislation in order to achieve a full legislative harmonization.

Keywords: Consumer rights, general economic interest services, energy market, natural gas market regulated prices, vulnerable consumers, energy policy

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Introduction

In the field of energy, the policy of the EU is oriented towards the long-term objectives established both in the Commission’s White Paper regarding the EU policy in the field of energy and the Green Paper – “Towards a European strategy for the security of energy supply”, and that is, the limitation of public intervention to a minimum necessary to protect the public interest and public welfare, the durable development, the protection of consumers as well as economic and social cohesion. The policy in the field of energy must also pursue reconciliation between competitiveness, supply security and protection of consumers and environment. Member states should take appropriate measures, to be able to guarantee vulnerable clients the supply of necessary electrical energy. At the same time, the European Commission proposes the creation of the European Agency for the Cooperation of Energy Regulators and a charter of energy consumers – which would allow consumers to choose their suppliers and protect their rights. In order to create competitive and efficient markets in the energy field, in 2008, the Commission launched “The Citizens’ Energy Forum” (European Commission, 2011), whose aim is to support the consumers within the EU, by informing them about their options when purchasing gas and electricity, and to consolidate their rights.

Today’s European energy policy aims at accomplishing a sustainable development, including aspects regarding the necessity of the access of all consumers to energy sources, the possibility of ensuring fair and invariable prices, the security of energy supply as well as the accomplishment of a sustainable development of the production, transportation and consumption of energy. EU’s current policy is oriented towards all energy sources: fossil fuels, nuclear energy and renewable energy – aiming to create an economy based on low-energy consumption with a minimal impact on the climate changes (Romanian Energy Strategy, p.7).

Europe has been trying to build up a single and competitive market, also within two sectors which until yesterday were dominated by national monopolistic actors: electrical energy and natural gas. Starting from 1996, the European Commission has elaborated 3 Energy Packages, implemented to support the creation of competitive, transparent and uniformly regulated energy markets within the countries of the European Union.

In July 2009 the EU adopted the third Energy Package to realize a fully efficient domestic energy market and to create a single gas and energy market. The aim of this effort is to support the maintenance of prices as low as possible, but which can be justified economically, and the improvement of service standards, security of supply and consumers’ choice capacity. This package came into force on March 3rd 2011 and within its scope there are defined the obligations of universal service, there are inserted clear provisions regarding both the obligations of public service and the protection of energy and gas consumers as well as the protection of consumers vulnerable to the scarcity of energy (Dir. 2009/72/CE, Directive 2009/73/CE).

According to the European Council’s conclusions in December 2011, the member states should implement, in a short period of time, the provisions of the Third Energy Package and define, as soon as possible, the concept of vulnerable consumer. The novelty of the Third Energy Package is given by an increased consumer protection and more firm demands regarding the achievement of a separation between the production, transportation and distribution systems of energy, since the latter are also the fields where the legislation
is more difficult to implement. One of the provisions of this package is also the creation of the Agency for the Cooperation of Energy Regulators in order to achieve a more efficient collaboration between member states. In order to ease the way for investments in infrastructure as well as the access to the network for newcomers, the European Parliament fosters the separation of the property right on the transportation activities. At the same time, a considerable importance is given to consumer rights regarding the change of suppliers, intelligent electricity meters and the dealing of complaints (Chamber of Deputies, Quick Card).

1. The liberalization of the natural gas market and energy market in Romania and the impact on consumers

The general goal of every country’s energy sector is to ensure energy security and create good conditions for consumers, ranging from quality standards and food security to accessible prices. The energy sector is a sector of strategic importance, being a contributory factor for social and economic development of a country. Energy sector in Romania is too important to be managed in a passive or reactive way. Being the base of the entirely national economy and satisfying some basic needs of the whole population, this sector must be managed proactively.

Next, a brief analysis will be presented regarding the changes in the energy sector in Romania, in order to understand the distortions existent in the gas and electricity market in our country.

The liberalization process is very complex, implying the existence of transparency so that the resulting final prices and competition can be both understood. Only in this way can we achieve a high customer satisfaction and prices based on the market laws. Since the consumer is the one representing the demand, he plays a significant role in the market economy and at the same time he is also an element to which all the actions of the producer converge within the market (Petrescu et al., 2010).

In Romania, energy companies have seen an ample reorganization, efforts being made so that state monopolies become distinct companies. At this moment, within the natural gas market in Romania we can distinguish between a competitive sector based on market laws and a sector subject to regulation, in which the supply is realized at prices regulated in accordance with the framework contracts.

The opening of the natural gas market in Romania has been achieved gradually, the first efforts being put in 2001 with a 10% liberalization compared to the consumption of the previous year. In Romania, the gas suppliers are Petrom, Romgaz and those abroad from Russia through Ukraine, and starting with 2010, also from Hungary.

Full liberalization of gas and electricity market was constantly postponed since 2007, being a very sensitive politically issue. Liberalization of the gas market is more complicated than the energy market due to the large differences between prices of internal gas and imported gas.

Thus, on the regulated market, the price of the gas is maintained at an artificially low level because the government is imposing a basket price (an average of the internal price and the import price - weighted with the respective quantities), with strict regulations of the price in
internal market, both for private and state company. In practice, the government has managed to better impose the regulated price to the state company than to the private company. In 2009-2010, the government issued legislation for some large customers (in the fertilizer industry, chemical industry and cogeneration), who have won preferential access to cheap national gas; mainly from the state-owned company Romgaz. Since the regulated price has not been modified to fit the new structure of the basket (mainly, smaller quantities available from the internal market, once they have been sold to beneficiaries of the law), the subsidy to these consumers was actually borne by the state company Romgaz and by the two private providers providing regulated consumption, who purchased expensive gas from the market and sold at regulated, lower price.

The law of electricity and natural gas adopted by the Parliament in June 2012 was approved by the President of Romania, and the plan of actions to eliminate regulated prices should be agreed with international financial institutions. Among measures to eliminate regulated prices for natural gas are included:

- Separate storage business from production, since the two activities are carried out by the company ROMGAZ. So it is wanted to set up an independent operator of storage;
- Completion of draft legislation on the protection of vulnerable customers;
- Designation OPCOM as a market operator also for natural gas;
- Revision of elements such as the tarrifing process, the way in which the field suppliers can be changed as well as the way in which regulated prices are established;
- A renegotiation of the agreements with Russia is required since a previously signed convention breaches the EU legislation (GDF Suez Energy Romania, 2012b);
- The periodic assessment conducted by the Romanian Energy Regulatory Authority of the extent to which consumers are informed about the evolutions on this market and the possibility of choosing the supplier; the development of a mechanism for comparing the prices used by different suppliers subject to competition, for each category of customers.

Over the last years, in order to increase the protection of consumers and benefit from the advantages of a competitive environment, Romania has suffered substantial changes in the field of electricity, marking its transition from a centralized sector to the liberalized electricity market, by applying the European directives and trade policies.

ANRE defines the general functioning frame of the electricity market, which opens on 15 August 2000, being managed by the Commercial Operator (OPCOM), which operates within Transelectrica. ANRE designs and builds major regulations of the energy sector; simultaneously, there are licensed the electricity suppliers, whose main role is to provide commercial component of the link between producers and consumers. Moreover, it is introduced the notion of eligible consumer (consumer that can choose his supplier, negotiating with him the energy price), as opposed to the captive consumer (consumer that continues to receive power at regulated prices, from the specially designated supplier).

Initially, the right to exercise eligibility was granted to those consumers with an annual electricity consumption of at least 100 GWh. Subsequently, this threshold was reduced gradually as follows: 40 GWh in December 2001, 20 GWh in January 2004 and 1 GWh in November 2004.

Since July 2006, all consumers except households have acquired the right to exercise their eligibility, and in July 2007 the electricity market was fully opened. Since then, all 8.5 million customers from Romania, most of them - nearly 8 million - are households, may
choose alternative suppliers based on supply and demand.

In the case of electricity, the production is dominated by state enterprises owned by the Ministry of Economy. A certain competition is still possible because MEC operates these companies of a non-coordinated manner.

Currently, state energy companies do not behave as fully commercial enterprise, but operates under looser budget constraints (the heat sector), or do not maximize profits (hydro and nuclear) because they sell below the market price, in the form of regulated contracts or to non-competitive selected partners. As long as the electricity and natural gas market are dominated by companies that do not operate on commercial terms, competition is undermined both in the energy market and the downstream markets. In addition, loss-making state companies in other sectors such as railways, do not pay electricity bills and arrears accumulate (400 million Euros at the end of 2010 due to the 8 default providers, of which 5 are private). As in the natural gas sector, private electricity suppliers EON, CEZ, ENEL are close to insolvency, and Romania may withdraw such companies from the market, if the situation continues indefinitely (SAR 2011b). In order to create a competitive market in the field of energy, if the competition is not achievable within some segments of the market, the government must see that this fact does not hamper the competitive relations between the other segments (Balancing Market Operator).

A considerable part of the market, including residential users and a significant percentage of companies, continues to be regulated and the prices are artificially kept a level that does not fully cover costs or that do not promote public or private investments that are so necessary. More than half of the market is subsidized, including household and industrial comprising receiving preferential prices. There was the start of private generation of electricity (Petrom plant of 860 MW at Brazi, 300 MW wind park of CEZ); also created the possibility of reverse flow in Arad-Szeged gas pipeline, allowing gas exports national natural domestic issue on which the EC will insist. ANRE will have to ensure that private firms enjoy the same conditions (playing by the same rules) with state-owned companies in the same markets with no positive or negative discrimination.

It appears that foreign investors have lost confidence in the Romanian energy sector and Romania should restart reforms to regain that trust. 4 of 6 private investors (RWE, GDF, Iberdrola and CEZ) withdrew from the second largest investment project ever in Romania (4 billion Euros, EnergoNuclear 2x700 MW nuclear units).

On non-regulated market, the state enterprises practices distort competition. A large state company (Hidroelectrica) has frequently been accused in the past 6 years in media that it sales cheap hydro energy at prices below the market to private partners and purchase expensive energy from inefficient thermal power plants, with side effects of distortion of competition in the energy market.

Given the above challenges, the second assessment report of the Academic Society of Romania (SAR 2011b) over ANRE shows that the independence, accountability and regulatory quality are more important than ever for Romania to become an attractive destination for investment and ensure quality supply to consumers.

Romanian markets for electricity and gas are still far from an effective competition, consumer varied choice and lower prices, but economically justified, ensuring sustainable investments leading to improving security of supply. Romania continues to regulate prices
for (at least) half of the market in both electricity and gas, and received an infringement in this case in July 2009. On 6 April 2011 the European Commission issued a reasoned opinion on Romania failure to liberalize the gas and electricity markets: Romanian legislation allows a regulated electricity market if households and some companies have regulated prices, if they do not change their suppliers. In the gas sector, regulated prices for final consumers are still applicable to all gas consumers. This motivate opinion was issued because Romania has taken steps to effective liberalization of gas markets and electricity after receiving the infringement in 2009. In principle, the EC may decide to sue Romania to the European Court of Justice to impose market liberalization by biting sanctions. In response to the reasoned opinion, the Prime Minister said that market liberalization will be completed in 2013 for industrial consumers and in 2015 for all users (residential and industrial), as agreed with the IMF (ANRE 2011).

Even after official numbers, electricity and gas market liberalization blocked. In reality, the market is much less competitive. In the gas market, anyone can opt for "basket", which makes the opening degree of the market to be in fact zero. In the electricity market, approx. 80% of long-term contracts are negotiated bilaterally outside the exchange, under market prices (contracts with "smart guys", representing 15 TWh out of a 45 TWh total consumption, about one third); i.e. the electricity market is really competitive of only 20-25%.

At the end of 2011, there were 2053 eligible customers on the free market of natural gas, whose consumption amount to an effective rate of opening market of 55,64%, and in the electricity sector is an increase of five percentage points of the actual opening degree of the electricity market compared with 2010, representing about 56% of total final consumption. Due to the specific characteristics of the energy and environment in Romania there are some market rules affecting general market project described above. These rules are described once the main features of each market are listed.

Electricity and gas market liberalization is a debt that Romania has even before the introduction of new directives and for which we already received an infringement in 2009 (that's right, along with other 24 Member States). First, liberalization must proceed urgently to those industrial users who continue to receive power at a regulated price or in conditions that are not related to market mechanisms and then to consumers.

The great distortions in energy markets from Romania are caused by the contracts with “the smart boys" and the cheap gas for some users who frequently beneficite of government support. The increase in competition on the energy markets must start off with them (Nutu, 2011).

Thus, the optimum solution is the establishment of new companies for each activity. The company that produces energy or extracts gas will manufacture and afterwards sell energy in a specially designed market – The centralized market for bilateral contracts (CMBC). On this market, a manufacturer puts up for sale a quantity of energy at a certain established price by him and anyone is interested of buying, the direct sale of energy to a supplier being forbidden without that quantity being listed on CMBC.
The transportation of energy from the manufacturer to the distributor is done by the transportation operator. In the forming chain, from energy producing till its sale, the transportation is considered a strategic element and likewise it’s a state monopoly. The Regulation 715/2009/EC establishes the non-discriminatory access of the manufacturers to natural gas and biogas to the transportation network. This means, practically, an established pricing system after clear rules which can be applied undifferentiated to all operators on this market.

The same persons must avoid owning control over a manufacturer and over the transportation operator. The transportation operators must have a managerial autonomy and sufficient resources (financial, human) for them to secure the independence. Transportation operators must also physically secure the access to the network to as many manufacturers they can (Natu, 2011).

Hence, the optimal solution is to set up new companies for each separate activity. This way, the production of energy and the extraction of natural gas are achieved by one or more companies that will sell subsequently the energy on the Centralized Market for Bilateral Contracts, since the direct sale is not allowed without listing on this market a certain quantity of energy at a price established by the producer. The transportation of energy from the producer to the distributor, being considered a strategic element, is conducted through the state monopoly transport operator.

A similar situation can be found in the case of energy resource storing. In present time the depositing of natural gas in Romania is secured by Romgaz, a company which also secures other types of integrated operations on the natural gas market. Within the liberalized energy market, regulations are no longer dictated from political perspectives, but, like in any other competitive sector, the activity of distributors will be dictated by competition, and in this respect the suppliers will offer smaller and smaller prices in their struggle to gain as many as possible and more important consumers. But in reality, a great deal of technical aspects must be sorted out.
According to the current legislation, the energy market has been liberalized since 2006. Obviously, to liberalize a market of a product which has a strategic and social importance; it is necessary that besides the legislation, technical and commercial conditions must exist in order to allow normal market behaviour (GDF Suez Energy Romania 14/2012).

At the EU level there is a weak convergence between the retail prices in the field of gas and electric energy, this is due to certain motives: price regulations in many member states, differences regarding network costs, limited border interconnections, lack of supplier diversity, labour taxes. Price legalizations cannot achieve in creating a proper competitive environment due to the realization of an adequate type of investments, being perceived by investors as an indicator of political interference, fact which puts the breaks on the investments. The legalized prices at a level under the market price can lead to unsubstantial pricing from the supplier’s economic point of view, of which cost is eventually supported by the users in their assembly.

Other than that, the legalized prices cannot achieve to offer stimulants for the energetic efficiency (The European Commission. 2012).

The specialists of the European Commission in an analysis achieved in collaboration with Expert Forum (EFORE) and The Romanian Academic Society (RAS) stated that due to a rapid liberalizing and an establishment of a sole market of electrical and natural gas energy, the prices for the final users would not explode, even more they could be lower than now. Due to conditions of deregulation, in which the market could reach large quantities of cheap energy (including here the common energy obtained by alternative sources – Aeolian, solar or geothermal) and which will beneficiate in similar conditions with the delivered energy now in the subsidized system, the user companies might have the possibility to choose the supplier and implicitly the access to the lowest price.

Additionally, to avoid an explosion of costs and to keep the production on high and by default the competitiveness on the market, the companies with large consumptions, as in the metal and chemical companies, which use gigantic quantities of gas and electricity would have to reanalyze their activities and to improve the energetic efficiency (GDF Suez Energy Romania, 12/2011).

The removal calendar of regulated prices for the supply of electric energy to end users foresees the step by step removal of the regulated prices starting with the date of 09/01/2012 for the non-domestic users, respectively from the date of 07/01/2013 for the domestic users and finalizing at the date of 12/31/2013 for the non-domestic users and respectively on 12/31/2017 for the domestic users.

Romania have decided for the natural gas market the following program: the removal of regulated prices till 12/31/2014 for the non-domestic users (with the exception in which due to that date a significant difference is found between the commercialization price of internal production and the European import price which might endanger the stability of the market, situation in which the term is extended till December 31st, 2015), the removal of regulated prices till December 31st, 2018 for the domestic users and the gradual increase of commercial prices on the Romanian market of internal production for natural gas in report with the commercialization prices on the Romanian market of natural gases from import.
2. The rights reservation for users in the field of electrical energy and natural gas

The supply services of electrical energy and natural gas are of general interest services, meaning that they have an important and vital role in satisfying the basic needs of the user. Due to the following the eventual risks foreseen with the opening of some isolated prices need to be removed through the installation of some rights of the user and some obligations regarding the insurance of universal services. All users inclusively the most vulnerable have the right to electric energy and when connected to the network will have also to natural gases. All clients have the right to access the electrical energy and natural gases market without discrimination.

The European Charter of rights for energy users, prepared by the European Commission has the following objectives:

- to support the vulnerable users
- to improve the available information for the users in such a way that they can chose the supplier
- formalities to change the supplier to be reduced to the minimum
- users to be protected against market abuses.

The services from the energy sector (electricity and natural gases) are identical as being services of public interests, to which all European citizens need to have access. Each European citizen has the right to benefit, with a charge, of permanent energetic services, secured and of quality. Each member state takes action to ensure that all users and especially the vulnerable ones benefit of these services at reasonable prices, comparable and transparent. The European Commission defines the services of general economic interests (SIEG) as being economic activities which generate results for the general public use in which the market would not supply (or would supply in other conditions regarding the quality, safety, accessibility, equal treatment or the universal access) without public intervention. The obligation of the public service is imposed to the supplier through attribution of a task and based upon a criteria of general interest meant to ensure that the service is provided in conditions in which the mission is fulfilled (European Commission, 2011).

The issue of consumer protection regards two aspects: on one hand, the relations established within the market through the direct link between consumer and service or product; on the other hand, the framework of the relations between producer and consumer, that is to say, the supply and demand game, the liberalization of prices, advertising, sales personnel behaviour, product quality etc. (Sitnikov and Bocean, 2010). At the same time, the protection policy of consumers represents an important component of the social protection, which is transposed into a system of imperative norms imposing a certain behaviour of the economic operators, so that the citizen, as consumer and partner on the goods and services market, can be respected and protected and as well as act when his interests have been violated (Dina, 2010).

Although the user protection is one of the basic functions of the energy regulation agency, a major problem is that Romania does not have an unitary definition, clear of the general economic interest of service (SIEI) or of the obligations of the public service, as the directives for gas and electricity and the European Charter recommends these rights for the energy users. The fact that the rights of the energy users are not respected it can be seen both in law as well as in its current practice. Although approximations of the user rights
exist in the current secondary legislation, issued by the ANRE, the appliance is poor. In addition, the general economic interest service (SGEI) should regulate clearly through the first legislation (not of ANRE), through a transparent and democratic trial, founded by a solid cost-benefit analysis. In exchange, ANRE has issued Order for gases and electricity, with performance indicators for the suppliers, which cover just partially the basic rights of users, inclusively the right to request and to receive offers form any supplier (SAR 2010).

Because of the existence of regulated prices, consumers are not motivated to change suppliers, as within the liberalized market more expensive sources of energy are available, so that, eventually an appropriate consumer protection is not ensured. The protection of consumer must not be considered in the sense of ensuring smaller prices for certain categories of consumers, but on the contrary, it must be given importance to the right to information regarding data on the own consumption, energy sources, prices, alternatives offered by other suppliers as well as possibilities to solve conflicts and make complaints in case abuses are made by suppliers.

In this moment there are only 9 member states (Austria, Czech Republic, Germany, Finland, Luxembourg, Holland, Slovenia, Sweden and the UK) which do not have retail regulated prices for the energy. The imposed prices by another government do not supply to the users the best offer. These create a false impression of protection which fools the users to seek actively better options, which can offer services of supplying more efficient energy. More than that, the regulated retail prices are a bump in the road of the investors. They discourage the entrance of some new companies on the market and investments in new solutions of generating energy. The regulated under the costs lead just to the accumulation of debts which in turn are supported by the tax payers (Digital Agenda for Romania 2012).

The European legislation insures the protection of the user against the disconnection or interruption of services. Likewise, it aims to protect users against potentially high risk processes that may endanger its health, while ensuring a healthy environment by applying the highest standards in the services. The user must know the identity of his supplier of electricity and natural gas. He also has the right to know how the generated electricity is supplied (Combined fuel composition).

To avoid unfair practices or misleading advertising, suppliers are obliged to publish information regarding the current legislation, codes of conduct, the terms and conditions and tariffs applied to their clients. To this end, the organizations of the services are required. In the case of complaints, the user has the right to transparent, simple and inexpensive procedures. The user can address independently to organizations or associations which will take note of his grievances.

Despite the support and the letter of the Third Energetic Package, in new law projects for the conversion of directives and regulations the vulnerable users are defined as all domestic users, no matter the actives or incomes. Likewise, the notion of regulated prices continues to appear as a fundamental element in both emergency ordinance projects for gas and electrical energy, regarding the vulnerable users. Although, this fact does not secure a proper protection of the users:

An important aspect according to the protection of the user refers to the freedom of choice of the users. With the opening of energy markets foreseen by the European legislation, the user has more possibilities to decide regarding the suppliers for electrical energy and natural gas. He can select a new supplier or may renegotiate the concluded contracts. If the
available prices on the competitive market are by 20-50% higher than for the regulated supply, changing the supplier is not possible, despite the legal right of the consumers to change suppliers.

We can also come across the situation in which very vulnerable consumers are not protected, that is, the poorest ones who o none hand cannot afford to connect to the network, while the wealthiest categories of consumers (such as owners of villas heated with gas boilers), on the other hand, benefit from greater support. Hence, limiting the liberalization of the market cannot be justified through the incapacity of some consumers to pay their bills, the most affected ones being in fact some great industrial consumers with access to cheap sources of energy or gas, that is to say, consumers who are either inefficient producers but have connections with the state or they are intermediaries; the prices for the residential users would not go up much if the actors on the market (especially state companies) engaged in real commercial and transparent practices (SAR 2011b).

There are opinions (SAR 2011a) according to which the vulnerable user should cover the largest part of domestic users but also the small businesses in accordance with the European Directives in the field. The proper solution from the European legislation point of view for the security of protection of these users would be the social subsidies, yet it can be imagined a gas manufacturer arrangement (private and government) in which these might accept to offer social pricings for the reduced market segment of the vulnerable users.

The consumers have the right to energy supply, at a certain quality standard and an accessible price. The disconnection need to be avoided as much as possible. The contracts need to contain information (prices, ways of payment, metering, opportunities of energetic efficiency). The users have the right to choose freely the supplier, with the minimum transaction costs. The users need to have likewise the right to antagonize the abuses, through administrative mechanisms of conflict outsourcing. It is obvious that the main problems the consumer protection is confronted with, are linked with the difficulty of creating some really efficient means that can act to ensure a balance within the offer or-consumer relation (Baciu and Deac, 2010).

The vulnerable users need to be identified and protected, yet without disturbing the markets or discriminating other users. There have been desperate trials to legalize the concept of “vulnerable user” as the general article from the electricity Law states (the vulnerable users are domestic users which by motives regarding health, age, etc. enjoy the special facilities in the supply of energy) or as a household of every income per person is under the minimum wage, from the Order ANRE 102/2009. As explained above, the protection of “vulnerable users” continues to be secured with the help of ”the social prices” in contradiction with the EU directives and with a distorted effect over the market. All help regarding the social energy need to be transferred over a distinctive system, separated of the energy market (SAR 2010).

Thus, keeping prices at a low level in an artificial way for the end users is not necessarily important for the protection of consumers, but on the contrary, achieving this drop in price efficiently, by increasing competition between suppliers. At the same time, it is important for consumers that the supply should be provided constantly, without interruptions or changes regarding the quality of the energy.

The activity regarding the solution of petitions is conducted in accordance with the legal provisions for the regulation of the activity for the solution of petitions, with the subsequent
"changes and additions." Most of the petitions received during 2011 regarded the electric energy sector, i.e. 71.6% of the total of 2121.

The outsourcing activity of issues is developed according to the provisions of the law; from the total of 2121 issues received during 2011, 1520 had as target the electrical energy sector. All issues received were solved in legal terms and according to the provisions of current legislations, with informing the claimants and institutions through which were sent at ANRE, by case. For the issues which needed further checks control actions were requested, through Monitoring Direction and Territorial Control.

The way of outsourcing of these issues was different, by approached problems: from written responses covering explanations, clarifications and references to the current legislation, checks on site, till direct conversations with the implicated parties. In situations in which the aimed issues were regarding to the obstruction of some legal provisions by the economic operators, these were proved right; ANRE had sent them reminders through which measures of conformation were established, on current legal provisions and/or legal contravention appliance measures.

The main categories of issues identified in complaints outsourced in the electricity sector are: electricity billing, power quality, and the issue of technical opinions connectivity, measurement readings groups, suspected theft of electricity. However, out of 2121 complaints received during 2011, 601 dealt gas sector, covering: natural gas billing, access agreement, contracting, and facilities uses, connectivity work contracts.

Conclusions

As it can be noticed, in Romania the production of energy is achieved mainly within state-owned enterprises, so that we cannot state we have a free and competitive market. Although the countries of the European Union already comply with stricter rules due to the latest Energy Package, which had to be implemented by the month of March 2011, after 2008, Romania slowed down both the reform in this sector and the liberalization of the energy markets. Seeing as on the Romanian market, the Ministry of Economy holds a share of 85%, nor does Romania succeed in complying with the principles of the directives prior to those of the latest package, it is obvious that we have to fill the gaps rapidly in implementing the old Directives and also transpose urgently the provisions of the new legislative package. In this respect, Romania must consolidate the independence and capacities of the regulator, who in his turn, must ensure both an effective competition within the market and the independence of the transport operators, because at present there isn’t a clear distinction between the interests of the state producers and those of the state transport operators and last but not least, must separate the storage of gas from the production of gas (this can be done by separating the gas deposits from Romgaz). (Nutu, 2011)

Future activities within the energy sector must be focused on solving the pressing problems related to the electricity and natural gas markets so that a real protection of consumers can be accomplished with respect to the following:

- Liberalization of electricity and natural gas markets – its starting point must be the industrial consumers that continue to receive energy at a regulated price or under circumstances of violation of the market mechanisms, and only afterwards the household
consumers. At the same time, a gradual and voluntary integration of consumers into the competitive segment of the market must be achieved.

- Liberalization of energy prices will lead to a rationing of consumptions, while maintaining regulated prices and twisted subsidies will lead to cost accumulation, increase in debts for large state-owned companies and will deepen the budgetary deficit.
- The right of consumers to be offered compensations if the company does not respect the quality of contracted services, must be regulated within the natural gas market.
- It is necessary to implement within the electricity market the obligativity to offer compensations to consumers if the distribution operator is responsible for any damaged caused. At the same time, problems signalled by consumers, such as – too high tariffs, erroneous billing, metering or connection problems, aspects regarding the contracting procedure - should be tackled and improved properly.

ANRE must stimulate competition as well as contribute to the development and opening of energy markets - especially by the time the full liberalization is accomplished - be able to question and block political initiatives that are in contradiction with the development of the market, deal with pressures within the industry, while the government must give clear signals regarding the reform, by starting with the matters that make up a good governance of the sector: independence and responsabilization of the regulator; abortion of subsidies for companies or sectors, through preferential contracts and laws, which bleed the state-owned companies within the industry of electricity and gas; use of these additional budgetary resources to support those types of consumers who really need social help.

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