



Empowering Mediterranean regulators for a common energy future.

Working Group on CONSUMERS ISSUES

Overview on disconnection procedures due to non-payment in the Mediterranean region



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Abstract

This document Med18-25GA -5.5.1 “Overview on disconnection procedures due to non-payment in the Mediterranean region” presents the impact that currently applied disconnection procedures have on consumers in MEDREG countries. The collection of data helps to analyze the status of consumers’ protection in each country, facilitates the understanding of common practices carried out in the Mediterranean region and identifies potential regulatory gaps that should be tackled to enhance the role of regulators in their respective countries.

As a result, the report represents a potential starting point for the preparation of recommendations at regional and national level in the field of disconnection practices.

About MEDREG

MEDREG is the Association of Mediterranean Energy Regulators, bringing together 25 regulators from 21 countries, spanning the European Union, the Balkans and North Africa.

Mediterranean regulators work together to promote greater harmonization of the regional energy markets and legislations, seeking progressive market integration in the Euro-Mediterranean basin.

Through constant cooperation and information exchange among members, MEDREG aims at fostering consumers’ rights, energy efficiency, infrastructure investment and development, based on secure, safe, cost-effective and environmentally sustainable energy systems.

MEDREG acts as a platform providing information exchange and assistance to its members as well as capacity development activities through webinars, training sessions and workshops.

The MEDREG Secretariat is located in Milan, Italy. MEDREG is co-funded by the European Union.

For more information, visit www.medreg-regulators.org

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Introduction

Connections, disconnections and maintenance are crucial aspects from the perspective of consumers and, in many cases, they represent the consumer's first interaction with the energy market. If these processes are well designed and are functioning efficiently, they will help to improve consumer's perception of the energy market.

Considering the relevant impact that disconnection procedures have on consumers, following the indications of the 21st MEDREG General Assembly (Malta, 18 May 2016), the MEDREG Consumer Working Group (CUS WG) planned to gather data on national methods and concepts on the disconnection of household consumers due to unpaid bills. The aim of this data collection is to provide a general overview in order to exchange experiences on how to manage defaulting consumers and to identify specific issues on which MEDREG can develop concrete recommendations for the regulators of the region. 17 MEDREG countries filled out the survey-related questionnaire.

According to the survey, in most cases, the supplier/Distribution System Operator (DSO) can request the disconnection of a consumer in case he does not pay his energy bill. With a few exceptions, MEDREG members have warning mechanisms in place in order to allow sufficient time and notification before the disconnection can take place. In addition to warning procedures, some regulators have established measures to avoid the disconnection of vulnerable consumers at critical times or when they are under specific conditions. Some of the consumers for whom disconnection is generally prohibited include hospitals, people with severe illnesses and specific population groups that are considered particularly vulnerable.

Based on the data resulting from the survey, the MEDREG CUS WG will evaluate the preparation of a report including detailed recommendation on how to improve disconnection procedures for each of the country involved in this study.

1. Are there categories of consumers who are not permitted to be disconnected or have different procedures in the event of a disconnection?

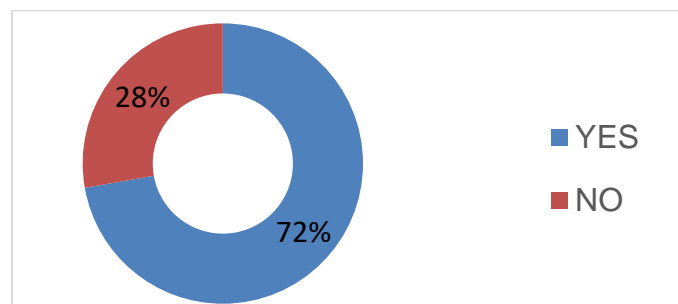


Figure 1. Percentage of MEDREG members in which there are categories of consumers who cannot be disconnected

The majority of members pick out categories of consumers who are not permitted to be disconnected or have different procedures in case of a disconnection. The detailed identification of these categories is an important tool to identify good practices and create the grounds for a first exchange of information among members.

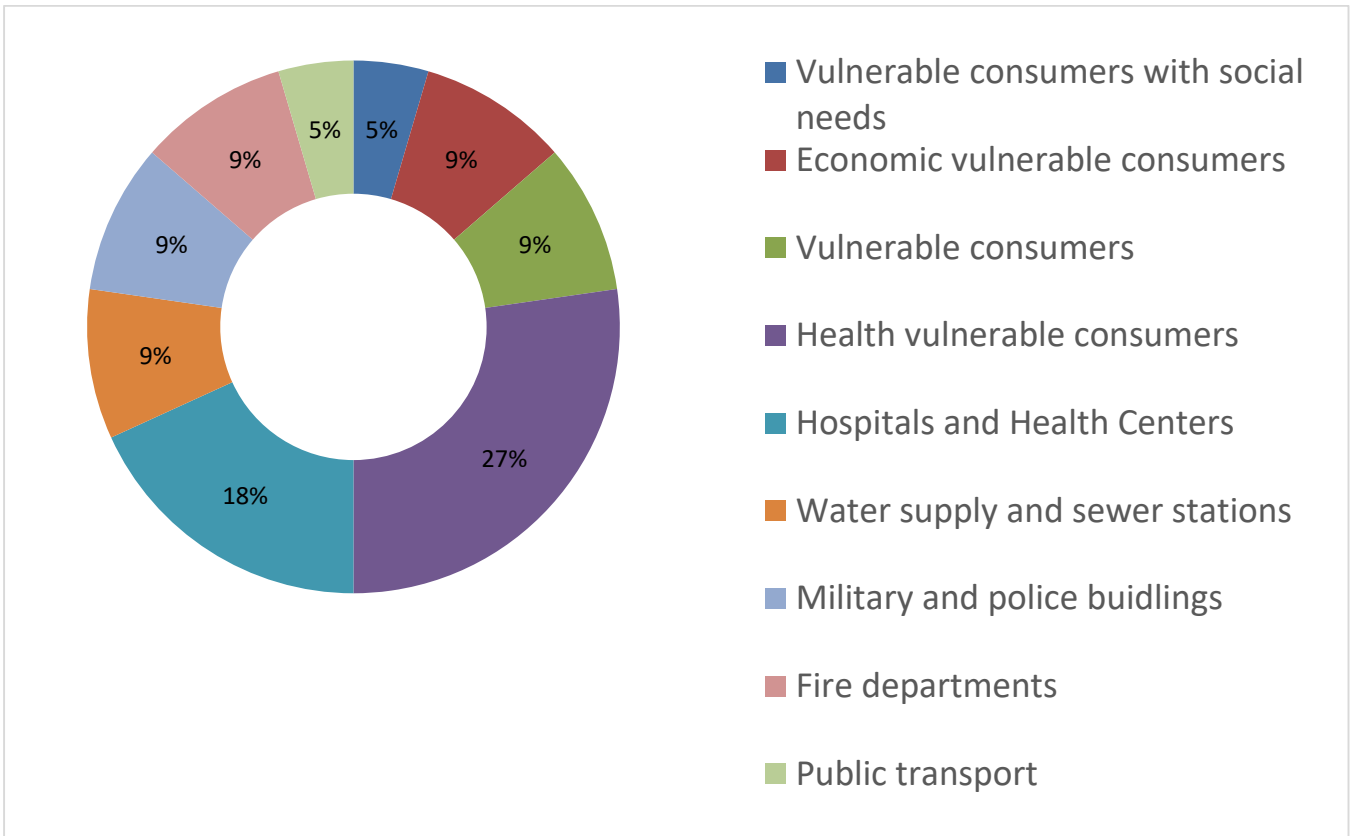


Figure 2. List of categories of consumers who cannot be disconnected in MEDREG members

The above graphic highlights that in the Mediterranean region there is not a homogeneous identification of categories of consumers who are excluded from disconnection procedures. Mainly, countries authorize derogations to health vulnerable consumers, entities active in the health system and in the field of national security or public order.

2. Are there certain dates when disconnection of consumers is generally prohibited?

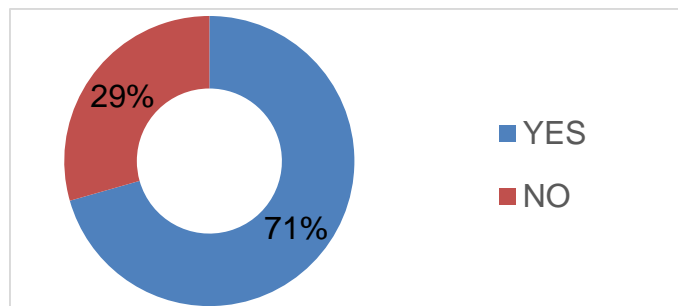


Figure 3. Percentage of MEDREG members in which there are certain date when disconnection is prohibited

MEDREG members usually foresee certain dates in which disconnection is generally prohibited. In the questionnaires received, eleven members responded positively to this question, while five members declared that disconnection is never prohibited. The graphic below highlights the main reasons for which disconnection is usually banned:

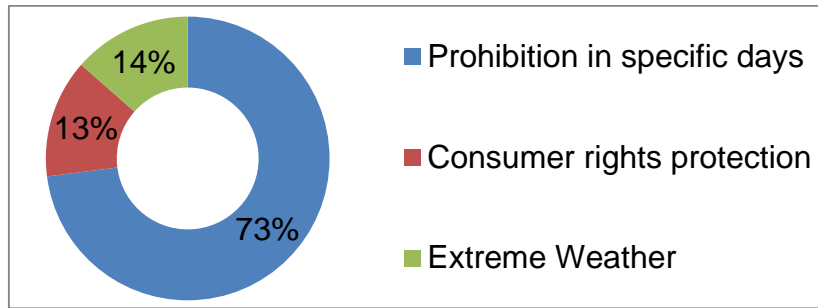


Figure 4. Types of dates in which consumers' disconnection is prohibited in MEDREG members

Members detailed the main dates in which disconnection is generally prohibited. There are of course different cases, but all of them can be regrouped under three main categories. Firstly, disconnections cannot be carried out on days that can cause a prolonged extension of the disconnection itself. Therefore, 73% of answers highlights that a prohibition of disconnection is foreseen on Fridays, weekends, public holidays and days before public holidays, thus avoiding any trouble for consumers and guaranteeing them the possibility to repay the insolvent bill in days in which all the facility services are operating. Secondly, disconnections are prohibited in case of potential violation of consumers' rights. Consequently, prohibitions are foreseen on days without DSO consumer service and in case the insolvent consumer is considered vulnerable and he is able to prove it. Lastly, the third category refers to specific times of the year. Prohibitions are foreseen in winter and summer time in case of extremely cold or hot weather, hence protecting the consumer's health.

3. Are suppliers required to periodically report to the public or to the regulator on the amount of disconnections performed?

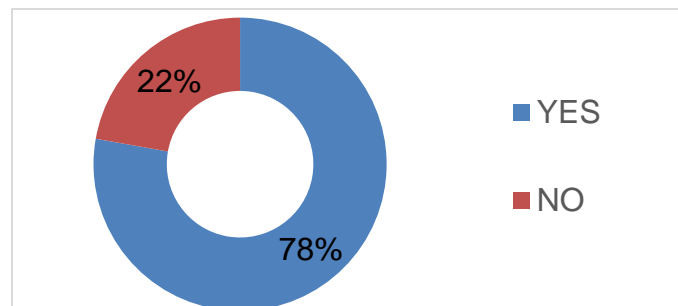


Figure 5. Percentage of MEDREG members where suppliers are required to periodically report to the regulator the amount of disconnections performed

The majority of members replied positively to this question, showing uniformity. In thirteen out of seventeen cases, suppliers are required to periodically report on the amount of disconnections performed to the public or to the regulator. In the case of three members there is no mandatory obligation and suppliers are not obliged to report to the regulator on the amount of performed disconnections, but this information is provided by the supplier upon the request of the regulator or the Ministry, based on a law obligation.

4. Are there any alternatives that can be suggested to prevent disconnections?

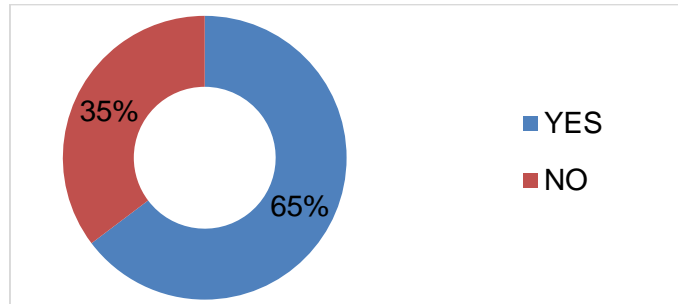


Figure 6. Percentage of MEDREG members that proposed alternatives to prevent consumers' disconnection

Eleven out of seventeen respondents are used to propose alternatives to consumers in order to prevent disconnection procedures. Furthermore, alternatives vary from country to country and there are not standardized frameworks as remarked by the graphic below:

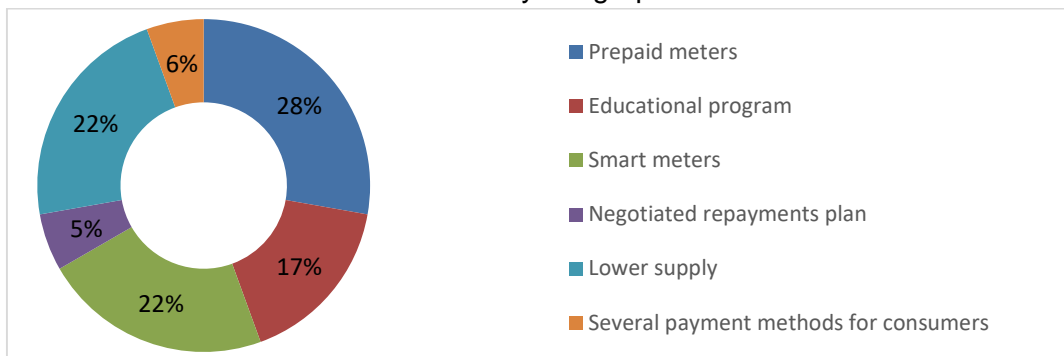


Figure 7. Alternatives put in place in MEDREG countries to try to avoid disconnection procedures

From the graphic above, it results that prepaid meters, smart meters, lowered supply and educational program are the main alternatives put in place in Mediterranean countries to try to avoid disconnection procedures. In some countries there are no alternatives that can be suggested to prevent disconnections due to a lack of technological development.

5. What is the amount of debt resulting in the consumers' disconnection according to current regulation?

Country	REPLY
Albania	There is no minimum amount. It may be further specified that the amount debt for disconnection is indicated in the executive title of the monthly invoice of electricity consumption. The debt must be paid not later than 30 days from the issuing date of the last invoice, including possible interests.
Algeria	There is no minimum amount. It may be added that in case of non-payment, the consumer will pay cut-off and recovery costs (CREG decision n° 482 of June 5, 2016).
BIH Electricity	In the Republika Srpska the situation is different from distribution to distribution, somewhere one or three nonpaid bill or the amount of 300 BAM (~150EUR) for households and of 500 BAM (~250EUR) for other types of consumers results in disconnection. In Brčko District of BIH the minimum debt amount is at least 200 BAM (~100EUR) or not paid electric bill for the last two months.
BIH Gas	There is no minimum amount. According to the "General conditions of supply for natural gas", suppliers shall send a written notice to consumers after 2 unpaid monthly bills for delivered energy.

Cyprus	There is no minimum amount. It may be interesting to know that the overall debt of consumers' amounts to almost 18 million euros.
Egypt	No answer is available.
France	There is no minimum amount.
Greece	There is no minimum amount. It may be interesting to know that the overall debt of low-voltage consumers amounts to at least 300 million euros.
Israel	Unpaid bills for the amount of almost 125 euros.
Italy	No disconnection will be applied until the debt is lower than the deposit paid when signing the contract.
Jordan	If consumers don't pay two executive bills, suppliers have the right to disconnect electricity after 30 days from the issuing of the second bill.
Malta	Amounts may vary. Issues are resolved on a case-by-case basis. Disconnection is a last resort, in some cases after legal proceedings are taken, which may involve arbitration.
Montenegro	There is no minimum amount.
Palestine	Three cumulative non-paid bills.
Portugal	There is no minimum amount.
Spain	Regarding natural gas, there were 58.130 disconnections in 2015 because of debts (0.77 disconnections per 100 consumers). There are no data regarding the debt amount. Regarding electricity, almost 794.661 clients were disconnected in 2015. There are no data regarding the debt amount.
Turkey	There is no minimum amount.

Table 1. Amount in debt resulting in the consumers' disconnection in MEDREG members

6. Are there any criteria for disconnection, regarding the consumers' role, other than debt?

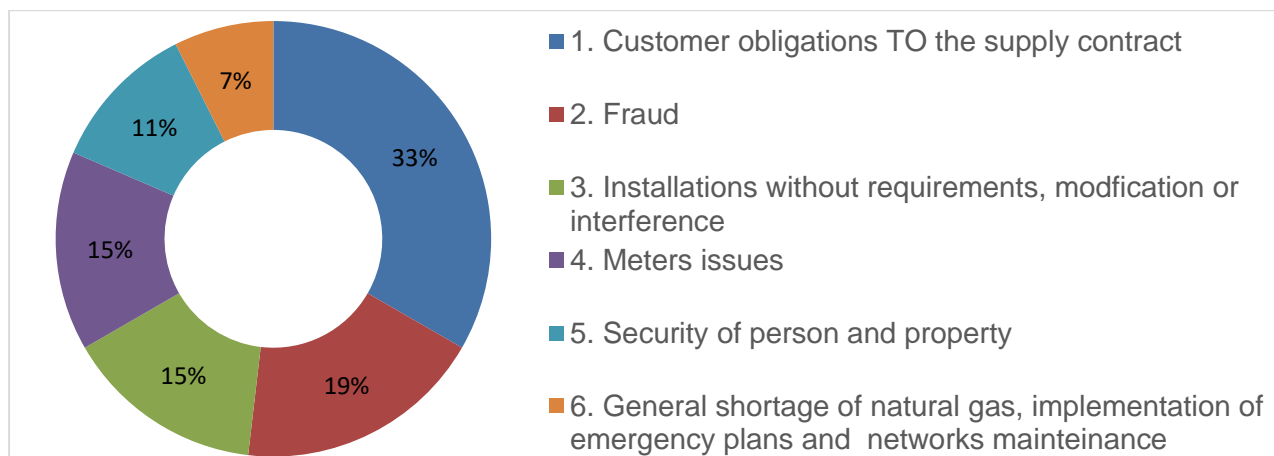


Figure 8. Criteria for disconnecting other than debt

All the members except for Palestine apply additional criteria for disconnecting consumers other than debt. Answers have been combined in clusters in order to give a general overview of the criteria used in the Mediterranean region.

The first criterion points towards the noncompliance of consumer obligations to the supply contract. This includes various cases in which disconnections can be carried out such as theft, unauthorized usage, sell and transfer of power, refusal to sign the contract with the last resort supplier or load increase more than the contractual capacity allowed. Members who reported at least one among the previous cases are BIH Gas, France, Greece, Jordan, Italy, Malta, Montenegro, Portugal and Turkey.

The second criterion that involves the activation of disconnection procedures for consumers is fraud. Members that use this criterion are Algeria, Egypt, Israel, Portugal and Spain.

The third criterion is related to installations. The disconnection procedure is activated if installations do not meet legislative or safety requirements, are modified by consumers or if there is illegal interference in their functioning. Members who described these cases are Cyprus, Israel, Italy, Montenegro, Portugal and Spain.

The fourth criterion concerns meters issues. Consumers are disconnected if they prevent the supplier from reading their meter or making inspections, if there is a manipulation of the meter itself or if the meter is inaccessible. Jordan, Montenegro, Portugal and Spain described these examples.

The fifth criterion is the security of persons and properties. Algeria, Egypt and Spain foresee the beginning of disconnection procedure in these cases.

7. Are warnings prior to disconnection required?

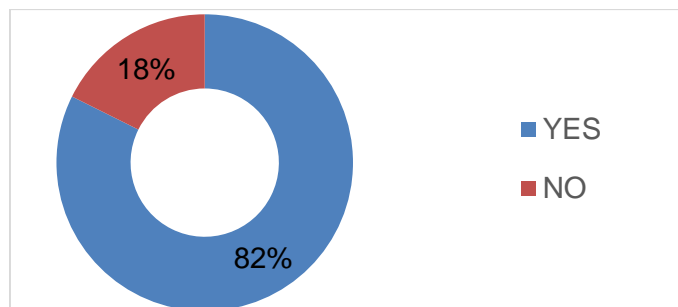


Figure 9. Percentage of use of warnings prior to disconnection in MEDREG countries

Answers to this question reveal that the use of warnings prior to disconnection is a practice usually carried out by Mediterranean countries in their energy markets. Only three members do not issue warnings for insolvent consumers: in Algeria, the supply of electricity and gas is interrupted without prior warning, after a period of fifteen days following the submission of the invoice to the consumers for low-voltage and low-pressure clients; in Egypt, warnings are not issued if the consumer breaks the conditions mentioned in the distribution code; in Malta, there is no applicable requirement related to warnings, except for cases in which the matter is referred to the regulator. In this case, the regulator will intervene in the framework of his powers, specifically to protect consumers.

8. Is there a minimum amount of time between warning and disconnecting? Is this amount of time respected?

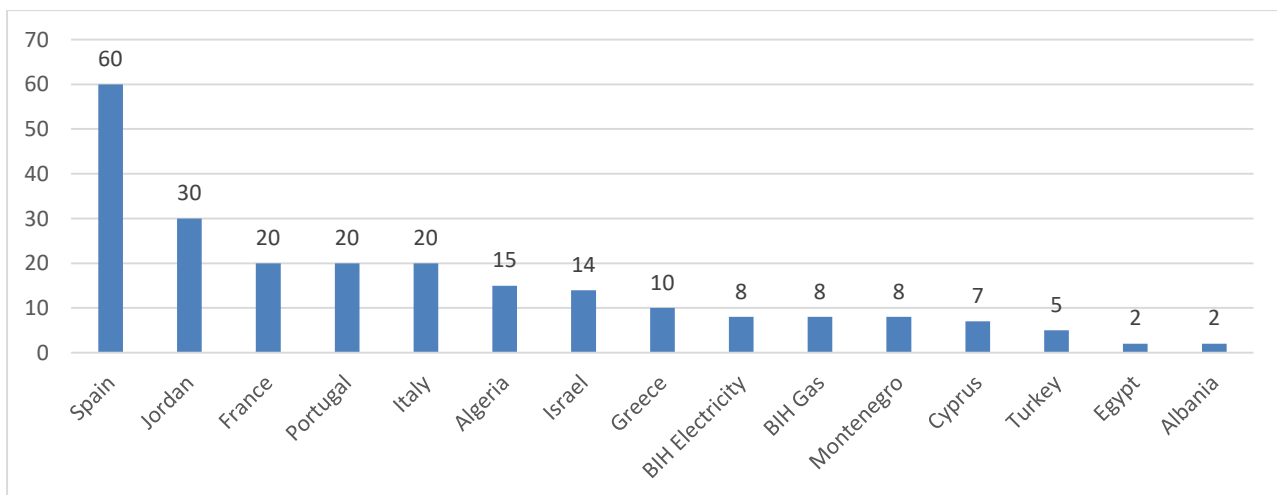


Figure 10. Set days between warnings and disconnections procedures applied in MEDREG countries

The above graphic shows the amount of days that pass between the warning is issued and the disconnection takes place. Only in Malta there is not a defined set of time between warning and disconnection; however, the electricity supplier is obliged to send reminders before a final suspension notice is sent, thus encouraging the consumer to settle pending dues within a specified timeframe in order to avoid disconnection of supply. Furthermore, Italy detailed more specifically how the procedure between warnings and disconnections works. In its case, the supplier must communicate a deadline for payment of the unpaid bill (if the consumer does not pay by the foreseen deadline) the supplier must issue a second deadline for payment and indicate the date from which the countdown begins, respecting the following provisions:

- At least 20 calendar days, if it is calculated from the issuing of the registered mail by the supplier (i.e., when the supplier is unable to document the posting date);
- At least 15 calendar days, if it is calculated after the dispatch of the registered mail from the supplier;
- At least 10 calendar days, if it is calculated from the receipt of delivery to the consumer if the communication has been sent via certified e-mail.

The communication will report the time beyond which, if the consumer still does not pay, the seller will send the request for suspension of the supply to the distributor. In addition, it will report the possibility that the available power supply will be reduced to 15% before the suspension, if allowed by the technical conditions of the meter. During the 3 working days after the expiration of the deadline, the supplier will require the full disconnection to the distributor.

9. Is there an obligation to contact the consumer prior to disconnecting? If so, how?

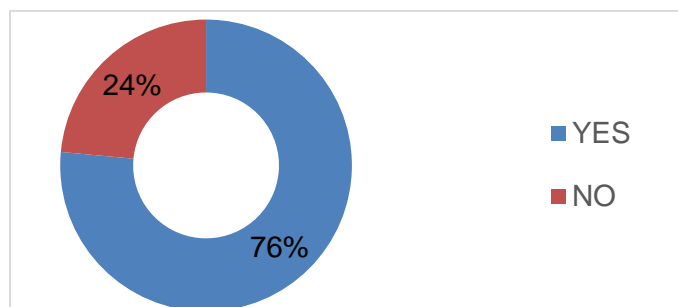


Figure 11. Percentage of MEDREG members in which there is an obligation to contact the consumer prior to disconnecting

In most of MEDREG countries, consumers are contacted by their supplier/DSO before the disconnection takes place. In the continuation of the process warning to disconnection, most of the members generally contact consumers before disconnecting them. The notification is usually released through different channels: among others, registered mails, certified e-mails, phone calls, phone messages and warnings in person.

10. Is there an obligation for the supplier to physically visit the consumer's residence prior to disconnection?

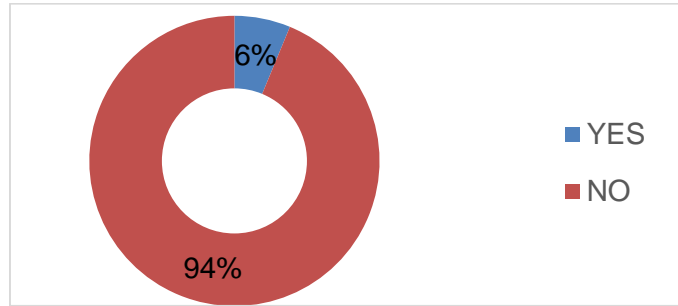


Figure 12. Percentage of MEDREG countries where there is an obligation for the supplier to physically visit the consumer's residence prior to disconnection

Only Palestine reported the obligation for suppliers to physically visit the consumers' residence prior to activating the disconnection procedure. All the other members who replied do not use this practice.

11. Is there an obligation or authorization for the supplier to report to other authorities regarding the consumers' situation?

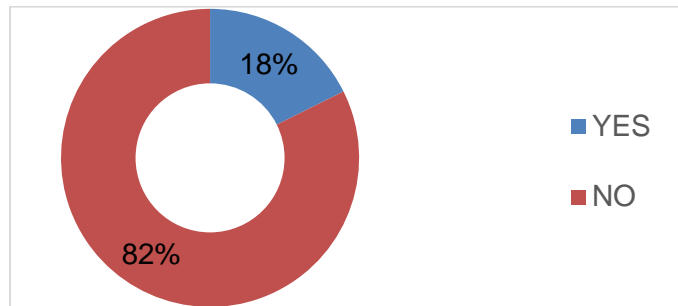


Figure 13. Percentage of MEDREG countries where there is an obligation for the supplier to report to other authorities regarding the consumers' situation

Suppliers are subject to the obligation of reporting to other authorities on the consumers' situation only in three countries. Cyprus specified that in their case the competent body is the National Regulatory Authority (NRA) itself, which collects all the information regarding consumers' situation. The second case is related to France where, in case of consumers with access to social tariffs, the supplier has the obligation to inform social services that it may have to disconnect the consumer, unless the consumer asks the supplier not to inform them for confidentiality reasons.

12. Is there a procedure that allows the consumer to object to the disconnection prior to it or to use any sort of arbitration?

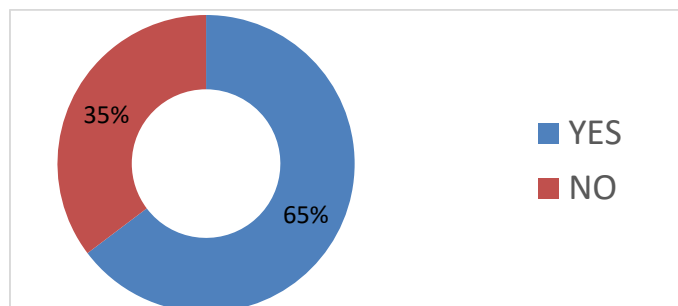


Figure 14. Percentage of MEDREG countries where there is an arbitration procedure prior to disconnection

The majority of members (11 out of 17) allows consumers to object to the disconnection prior to the activation of the procedure itself. There are different ways in which an objection can be carried out. Depending on the country, the entity in charge of receiving the objection changes, in compliance with national legislations as showed by the graph below:

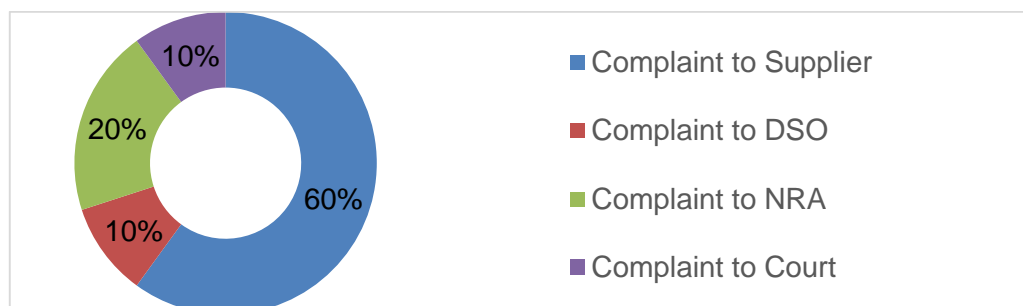


Figure 15. Entities to which an arbitration procedure prior to disconnection is delivered

Consumers' complaints concerning disconnection procedures are generally addressed to suppliers since they are usually the entity in charge of deciding on disconnections. Objections can be also addressed to NRAs, DSOs or the court.

13. Description of the set of actions to be accomplished before disconnecting a consumer

- Albania

Action	Timetable	Note
Bill issued:	Within 10 days from the reading date.	The supplier shall perform periodic readings of the consumer's electricity meter (in conformity with the provisions of the Metering Code, Distribution Code, as well as the legislation in force) every 30 days and shall send to the end-use consumer's address the standard electricity invoice, within 10 days from the reading date
Pre-disconnection letter:	48 hours	
Disconnection or other similar action performed:	48 hours	
Post-disconnected follow-up (if required):	48 hours	

Table 2. General step by step action plan in Albania

- Algeria

Action	Timetable
Bill issued:	Quarterly
Disconnection or other similar action performed:	16 days after the bill has been issued

Table 3. General step by step action plan in Algeria

- Federation of Bosnia and Herzegovina - Electricity

Action	Timetable	Note
Bill issued:	Monthly basis	Payment due 15 days from maturity of debt
Reminder notice:	8 days	A written warning to the end consumer about the deficiencies and irregularities due to which the delivery of electricity may be terminated,

		indicating the deadline to remedy said deficiencies and irregularities
Second reminder notice:	8 days	This reminder is a disconnection notice
Disconnection or other similar action performed:	16 days from the reminder notice	

Table 4. General step by step action plan in the Federation of Bosnia and Herzegovina in the electricity sector

- Republika Srpska - Electricity

Action	Timetable	Note
Bill issued:	Until 15 th day of the month	There is an obligation to pay bill before the 25 th day of the month
Reminder notice:	At least 8 days before disconnection	
Disconnection or other similar action performed:	17 days after sending the reminder notice	

Table 5. General step by step action plan in the Republika Srpska in the electricity sector

- Federation of Bosnia and Herzegovina - Gas

Action	Timetable
Bill issued:	By the 15 th day of the month following the month of reference of the bill, the invoice should be sent by the supplier to the consumer
Reminder notice:	Following 2 unpaid bills
Warrant obtained:	After the expiration of the complaint period of 8 days consumer (mentioned in the reminder notice) or 15 days after the unaccepted consumer complaint

Table 6. General step by step action plan in the Federation of Bosnia and Herzegovina in the gas sector

- Cyprus

Action	Timetable	Note
Bill issued:	15 days	
Reminder notice:	-	The supplier contacts the consumer 2-3 times prior to disconnection
Pre-disconnection letter:	7 days	

Table 7. General step by step action plan in the Federation of Bosnia and Herzegovina in the gas sector

- Egypt

Action	Timetable
Bill issued:	Monthly

Table 8. General step by step action plan in Egypt

- France

Action	Timetable	Note
Bill issued:	Day 0	
Reminder notice:	Day 14	The notice is sent if no payment has been received within 14 days

Pre-disconnection letter:	Day 29 (14+15) or day 44 (14+30) for consumers which have access to social tariffs.	The letter is sent if no payment or contact has been received by the consumer within the next 15 days after the first mail (or within 30 days for consumers which have access to social tariffs)
Disconnection or other similar action performed:	Day 49 (14+15+20) or day 64 (14+30+20) for consumers which have access to social tariffs.	The DSO visits the consumer The disconnection is cancelled if the consumer pays the debt during the disconnection visit NB: if the consumer is equipped with a smart metering device, the disconnection actually occurs 2 days after the DSO has visited the consumer

Table 9. General step by step action plan in France

- Greece

Action	Timetable	Note
Bill issued:	60 days	This is the billing frequency of the main supplier
Reminder notice:	120 days	The reminder notice together with a warning for disconnection is included in the following bill
Disconnection or other similar action performed:	130	After the second bill containing a warning for disconnection is issued (i.e. once 120 days are passed), adding a 10 days payment deadline, the Supplier may send a disconnection order to the DSO. The time for the disconnection action to be performed by the DSO is not available

Table 10. General step by step action plan in Greece

- Israel

Action	Timetable	Note
Bill issued:	21 calendar days	
Reminder notice:	14 working days	After the consumer receives the bills
Final demand notice:	24 hours	Before the disconnection
Collections visit:	At the disconnection time	

Table 11. General step by step action plan in Israel

- Italy

Action	Note
Reminder notice:	A note in the following bill informs that payments are not regular
Pre-disconnection letter:	Sent by the supplier after the bill deadline. The letter sets a final payment deadline before disconnection is requested to the DSO: no less than 10 days in case of certified e-mail; no less than 15 days in case of registered letter
Warrant obtained:	The supplier may request the disconnection to the DSO no less than 3 days after the final payment deadline. Disconnection not allowed before the supplier provides an exhaustive written answer, in case the customer complained about a) quantification of consumption following a malfunctioning of the meter which has been ascertained by the DSO;

	b) billing of abnormal amounts (e.g. more than double of the higher amount paid in the previous 12 months).
Disconnection or other similar action performed:	Within 5 days from the supplier request
Restoration of electricity supply:	When the consumer notifies the payment, the supplier immediately request the re-activation to the DSO, which must reconnect the consumer within 1 day

Table 12. General step by step action plan in Italy

- Jordan

Action	Timetable	Note
Pre-disconnection letter:	Stated on the electricity bill	There may be also a letter from the collector to the consumer
Collection visit:	Monthly (regular)	
Disconnection or other similar action performed:	Stated in Performance Standards code or directives issued by EMRC	
Post-disconnection follow-up (if required):	Managed directly by the collector	

Table 13. General step by step action plan in Jordan

- Malta

Action	Timetable	Note
Bill issued:	Usually a bill is sent every two months	Consumers with a smart meter are billed on actual consumption on a bi-monthly basis. Consumers without a smart meter are billed on estimated consumption on a bi-monthly basis and on actual consumption on a six monthly basis.
Reminder letters and final suspension notice followed by suspension of supply	No set time	By law, when a bill based on actual consumption is not paid within fourteen days from its presentation, the supply of current to any account held by the said consumer may be suspended without any previous notice being given. In practice, reminders to settle dues are sent to the consumer in subsequent invoices which are usually sent every two months, and it is only after a final suspension notice is sent, obliging the consumer to settle dues within a specified timeframe to avoid disconnection of supply, that the actual disconnection takes place.
Restoration of electricity supply	Up to 24 hours after payment is made	Reconnection times may take even longer during emergency situations, such as severe weather conditions, when the supplier's technical support teams would need to prioritize requests for urgent assistance from other consumers.

Table 14. General step by step action plan in Malta

- Montenegro

Action	Timetable
Bill issued:	Bill is issued on the 10 th of the month for the previous month
Second reminder notice:	Sent only for public services
Pre-disconnection letter:	Sent after 15 days from the expiration of the

	deadline, the consumer should pay by 8 days
Warrant obtained:	The warrant is produced by the DSO
Disconnection or other similar action performed:	8 days the warrant is issued, with an additional 8 days for public services

Table 15. General step by step action plan in Montenegro

- Palestine

Action	Timetable
Reminder notice:	14 days
Second reminder notice:	After two bills
Outbound call:	After two bills
Pre - disconnection letter:	After three bills

Table 16. General step by step action plan in Palestine

- Portugal

Action	Timetable
Bill issued:	1 month/2 months
Reminder notice:	Next bill
Final demand notice:	Next bill
Pre-disconnection letter:	20 calendar days
Disconnection or other similar action performed:	After the deadline indicated in the pre-disconnection letter
Restoration of electricity supply:	12 hours after debt rectified (on working days)

Table 17. General step by step action plan in Portugal

- Spain

Action	Timetable	Note
Bill issued:	20 days (+20 days)	20 days to pay the issued bill
Reminder notice:		Energy companies send reminders to the consumer that does not pay on time. The consumer has two months to pay the bill.
Second reminder notice:		
Outbound call:		
Final demand notice:		
Pre-disconnection letter:	Two months (20+60 days)	Two months
Human rights letter: (appeal):	20 days (20+60+20)	Consumer can appeal to the proper authority; in that case the disconnection process stops for maximum 20 days until the resolution.

Table 18. General step by step action plan in Spain

- Turkey

Action	Timetable
Bill issued:	10 days
Pre - disconnection letter:	5 working days

Table 19. General step by step action plan in Turkey

14. Is there room for individual judgment or special cases regarding disconnection?

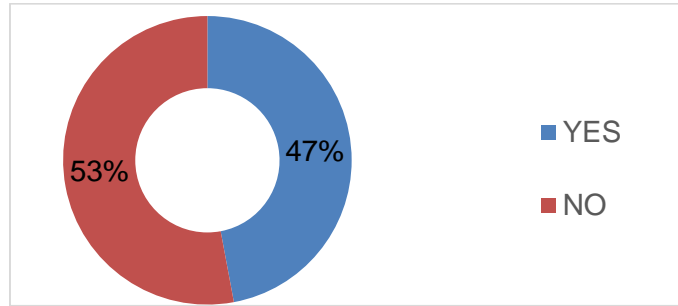


Figure 16. Percentage of MEDREG countries where individual judgment regarding disconnection is allowed

The majority of members (9 out of 17) do not allow any possibility for individual judgment in case of special cases regarding disconnections. Here below, the cases of countries in which there may be room for individual judgment are detailed:

Country	Individual judgment regarding disconnection
Albania	The end-use consumer has the right to submit a complaint to the supplier concerning his disconnection. The supplier shall handle any complaint in conformity with the Regulation for Handling the Complaints, approved by ERE. If the supplier does not reply to the end use consumer’s complaint within the deadline defined in the above mentioned Regulation, or if the end-use consumer does not agree with the response provided by the supplier, then he has the right to submit a complaint at ERE, according to the procedures defined in ERE’s respective Regulations.
Cyprus	The supplier cannot disconnect vulnerable consumers during critical periods. Further disconnection restrictions apply to vulnerable consumers that have serious health problems (i.e. electricity supply is critical for their health).
France	The DSO has a right to postpone a disconnection if the physical visit shows the consumer is in a specific vulnerable situation.
Israel	The law is the highest and strictest guideline but the supplier can choose within the boundaries of the law to benefit certain consumers based on personal judgment.
Italy	The consumer may send a written complaint asking for the reconstruction of consumption, due to a meter malfunctioning (this activities are carried out by the relevant distributor). The supplier must give a motivated response to complaints, before proceeding to the request for suspension of supply.
Malta	Examples include vulnerable consumers such as those with a low-income, the sick, the elderly and the unemployed.
Portugal	Priority and consumers with special needs.

Table 20. MEDREG countries in which individual judgment regarding disconnection is allowed

15. Who authorizes the disconnections?

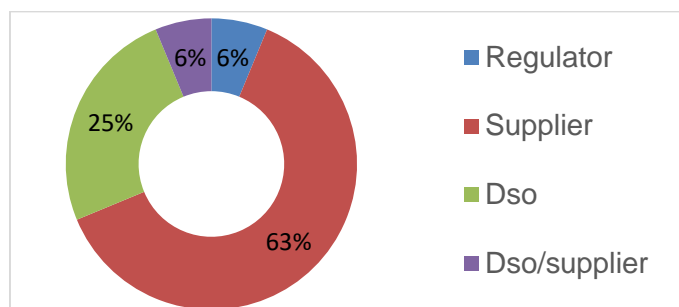


Figure 17. Percentage of entities in charge of authorizing disconnections in MEDREG countries

Disconnections are usually authorized by suppliers or DSOs in MEDREG countries. Only in one case the authorization to disconnect is given by the NRA. Moreover, the authorization to disconnect depends on to the role played by suppliers and DSOs at national level: for instance, in Portugal they must communicate through a specific platform. At the same time, they can be two separate entities in liberalized markets or single bodies that carry out the duties of both of them in regulated markets. Therefore, the entity in charge of authorizing consumers’ disconnections changes also depending on the status of the country energy market.

16. Who defines the rules for disconnection?

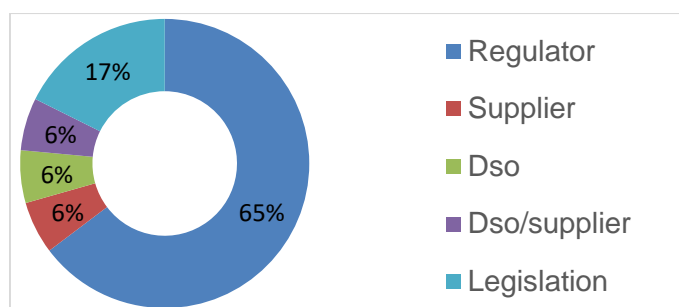


Figure 18. Percentage of entities in charge of defining the rules for disconnection in MEDREG countries

NRAs define the rules for disconnection in the majority of members. Only in few cases suppliers or DSOs have to deal with the definition of rules for disconnection. Moreover, legislation is also a tool used directly to define rules. For instance, in Spain the entity in charge of defining these regulations is the Ministry of Industry through Spanish Official Gazette. On the contrary, in Algeria there is no precise entity granted with the power of defining rules for disconnection by law. However, the regulator has the mission to ensure equity between consumers and, therefore, can intervene to valid the procedure used by the supplier and support the supplier in establishing internal norms that can cover new aspects or improve existing features of disconnection procedures.

17. What is the procedure for reconnection?

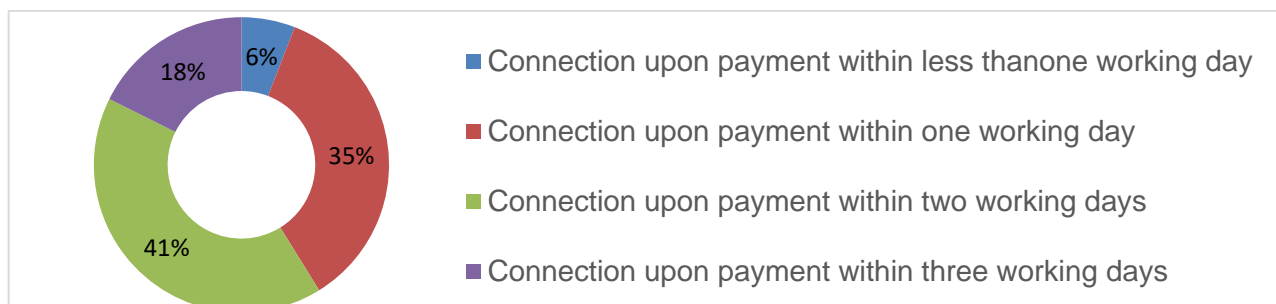


Figure 19. Percentage of entities in charge of defining the rules for disconnection in MEDREG countries

The procedure for reconnection can take different steps, as highlighted by the graphic. The difference concerns the duties to be completed by consumers before reconnection (such as payment of all invoices or payment of reconnection fees) and the time that it is necessary to reconnect the consumer. In this regard, the time of reconnection usually varies among one, two or three days. Only in one case the time of reconnection is less than one day.

In addition, there are countries, such as Egypt, where no specific number of days is foreseen for consumers' reconnection and the supplier has to reconnect the consumer on the same day of his payment or on a certain day specified by the consumer. In other cases, for instance Italy, penalties are also foreseen for suppliers and distributors if the supply is not reactivated by the established time due to their responsibility – in this case, the consumer will receive an automatic compensation depending on the delay incurred.

Conclusions

The study "Overview on disconnection procedures due to non-payment in the Mediterranean region" helps to outline the status of disconnection procedures in the Mediterranean region and to identify common practices carried out by members' countries. From a general perspective, the regulation related to consumers' disconnections is very fragmented due to the fact that the Mediterranean system is composed of energy markets with different peculiarities. In any case, there are some points that are raised by the majority of contributors to this report and that can be considered as starting tools to identify common challenges to be further explored.

First of all, it is useful to consider that disconnection procedures are not usually applied to all categories of consumers as some of them are exempted in case of non-payment. Exemptions are granted to different categories of consumers on the basis of needs that can be identified only at national level and considering national peculiarities. Therefore the target cannot be the harmonization of the regulatory frameworks themselves, but rather an analysis of the baseline principles that lead to the decision of avoiding disconnection for specific categories of consumers (large and household), with a view to identify a common background for the different national situations.

As far as consumers' protection is concerned, another principle highlighted by the study is the arbitration procedure. The majority of replies showed that consumers' complaints are foreseen in case of disconnection, thus confirming that NRAs' duties are usually aligned with the competence of consumers' protection that regulators should carry out as identified in the Mediterranean Energy Regulatory Outlook 2017. The support actions towards members that do not yet foresee arbitration procedures is suggested in order to strengthen their competences and to increase consumers' awareness and options in case they experience difficulties in paying their bills.

Finally, specific attention should be paid to the steps that lead to disconnecting consumers. Obviously there are several differences between MEDREG countries since procedures take into account national peculiarities. However, there are huge differences in the amount of time allotted between warning and disconnection, which vary from 2 to 60 days, based on the country. A further investigation to analyze reasons behind these divergences should be carried out, considering pro and cons of the various practices.

Annex 1 – List of Abbreviations

CUS WG	MEDREG Consumer Working Group
DSO	Distribution System Operator
EMRC	Energy and Minerals Regulatory Commission
ERE	Albanian Electricity Regulatory Authority
MEDREG	Mediterranean Working group on Electricity and Natural Gas Regulation
NRA	National Regulatory Authority