



Descriptions of the actors on the electricity and natural gas markets

The descriptions in this fact sheet are intended to make it easier for consumers to understand the electricity and gas market and to clarify the contexts in which you may contact the various actors.

Electricity consumer

As a consumer in the electricity market, you will need two different agreements: one with the network operator, which secures the transmission of electricity to your home, and one with the electricity supplier; the actor from whom you purchase the electricity you use.

You pay the network operator a distribution fee, which normally consists of a fixed cost with an additional variable fee based on how much electricity you use. On the electricity network side there are local monopolies, as it would be too expensive to build and run parallel electricity grids.

As a consumer, you are referred to the network operator that has the distribution rights (concession/permit) in the area you live in. As there is no competition between network operators, there is need of an authority which can check that they charge reasonable fees, and this is a task which has been default to the Swedish Energy Markets Inspectorate.

Once you have entered an agreement with the network operator you will, unless you have already chosen one, automatically be referred to an electricity supplier. The agreement that you receive with the default electricity supplier is often an expensive alternative. It is therefore a good idea to sign another electricity supply agreement with the default supplier or switch supplier. The electricity supply market is open to competition and you can choose from approximately 120 electricity suppliers available on the Swedish electricity market. Depending on how much electricity you use, there is often a chance to save money by comparing electricity prices before you make your choice. You can for example make use of the Energy Markets Inspectorate's price comparison site elpriskollen.se to compare electricity agreements.

Natural gas consumer

As a consumer on the natural gas market, you will need two different agreements: one with the gas network operator, which secures the distribution of gas to your home, and one with the natural gas supplier; the actor from whom you purchase the gas you use.

The distribution fee normally consists of a fixed cost for your contract, and usually varies depending on your type of housing. There may also be a variable distribution fee. When it comes to the gas grids, there is a natural monopoly since constructing and running parallel grids would be too costly. Consumers are referred to the network operator that owns the grid in their area of residence. Since there is no competition between the network operators, it is necessary to have an authority to monitor that they charge reasonable fees, which is one of the tasks of the Energy Markets Inspectorate.

Once you have entered an agreement with the network operator you will, unless you have already chosen one, automatically be referred to a natural gas supplier. In these cases, you may sign a gas supply contract with the supplier you have been referred to, or you can switch to another one. The gas supply market is open to competition and you can choose from any of the natural gas suppliers available in the Swedish market. You should compare prices before you make your choice. The simplest way to do so is via Gaspriskollen, which can be found on the Swedish Consumer Energy Markets Bureau's website, energimarknadsbyran.se.

If you are a 'stove client', no individual measurement of consumption is taken; you instead pay a fixed fee for both gas network and gas supply.

Municipal consumer advisers

Electricity and natural gas consumers can turn to their municipality for counselling in various matters. The consumer advisers offer counselling prior to purchase and guidance in the event of a dispute. The budget and debt advisers can offer advice and support concerning payment issues. The energy and climate advisers can provide an analysis of your energy use, offer advice when choosing a new heat source, provide information regarding current benefit systems and suggest measures to make your energy use both safe and efficient.

The Swedish Consumer Energy Markets Bureau

The Swedish Consumer Energy Markets Bureau is an independent bureau which provides information, advice and guidance in matters concerning the electricity and gas markets. The advisory service is free of charge. The Swedish Consumer Energy Markets Bureau has a board consisting of both public authorities and trade associations. The authorities on the board are the Swedish Consumer Agency, the Energy Markets Inspectorate and the Swedish Energy Agency, whilst the trade associations on the board are Svensk Energi and the Swedish Gas Association. The Swedish Consumer Energy Markets Bureau is also appointed by the Energy Markets Inspectorate to be a common national point of contact for electricity and gas consumers.

As a consumer, you can contact the Swedish Consumer Energy Markets Bureau:

- If you have any questions or complaints regarding your invoice or other matters pertaining to you as a consumer. The Bureau can also assist you if you have a dispute with the company, or if you are unsure of whether or not the information you have been given by the company is correct. In these cases, the Bureau can give you information and guidance concerning existing laws and regulations and how these are normally applied.
- If you require information regarding agreements, current prices and price trends on the electricity and gas markets. The Bureau is also an expert on matters regarding debiting, changing electricity or gas suppliers, contracts, laws and terms of agreement.

- If you require an explanation of concepts that occur and are used in the terms of agreement, in your invoice or in the company's marketing material.

The Swedish Consumer Agency (KoV)

KoV is a government authority with responsibilities in several consumer markets. When it comes to the electricity and gas markets (its commission also includes district heating), KoV audits the marketing of the companies to ensure that their advertisements do not mislead the consumers. KoV also checks the agreements used by companies to ensure that you as a consumer are not unfairly treated.

As a consumer, you can report a company to KoV if, for example, you feel that the company has used misleading or aggressive marketing, unreasonable terms of agreement or if it has provided insufficient price information by not stating any price comparisons for your electricity.

Together with representatives from the electricity and gas industry, KoV has also negotiated a number of agreements that apply to the companies when selling electricity and gas to their clients. These include general terms of agreement for both the electricity and gas industries, as well as guidelines for direct sales in the electricity industry. KoV is one of the organisations that train the municipal budget and debt advisers as well as the consumer advisers.

The Swedish Energy Markets Inspectorate (Ei)

Ei is a government authority that is responsible for monitoring the energy markets, meaning that Ei is working to ensure a safe and efficient supply of electricity and natural gas for the consumers in the Swedish market (its commission also includes district heating). Customer access to the electricity and gas networks should take place under reasonable terms, and for this reason, Ei monitors the monopolised activities of the network operators to ensure reasonable fees and a good quality in the electricity network. When you are connecting your home to the electricity network, you can turn to Ei to apply for an assessment of your connection fee if you feel that it is unjustified.

Ei ensures that companies on the electricity and gas markets abide by laws and regulations, it evaluates and issues concessions (permits) to construct and run electricity and gas networks, it proposes legislative changes and possible ways to develop the energy markets. Ei also contributes to strengthening the position of the consumers through consumer information and it provides the service elpriskollen.se, which assists the Swedish electricity consumers in choosing the right electricity agreement.

The Swedish Energy Agency

The Swedish Energy Agency is a government authority that acts within various sectors of society to create conditions for an efficient and sustainable energy consumption as well as a cost-efficient and secure Swedish energy supply. The Swedish Energy Agency is also intended to assist Sweden, Swedish industry and the public sector in reaching the goals set by the Swedish Riksdag for a more efficient energy consumption and a growing proportion of renewable energy. Reaching these goals will result in profitability and an increased competitiveness.

As the expert authority on the subject, the Swedish Energy Agency has been commissioned by the Government to promote a substantial expansion of Swedish wind power.

The Agency plays an important part in the Swedish crisis management system by acting as the administrative authority for the supply and consumption of energy. The authority is therefore working to ensure both short and long-term energy supply, which includes ensuring that the entire energy sector has a sufficient ability to prevent vulnerabilities, and to ensure that all energy consumers in some form are able to prevent and ease the consequences of disruptions to the energy supply.

The Swedish Energy Agency trains the municipal energy and climate advisers.

The National Board for Consumer Disputes (ARN)

The National Board for Consumer Disputes (ARN) is a government institution that, free of charge, reviews disputes between consumers and companies, including those in the electricity and gas markets. A report can be submitted by an individual consumer who is involved in a dispute with a company. ARN also provides information about the practices of the Board and about the management of consumer disputes by the municipal consumer advisers.

Having ARN examine a dispute is a quick and easy, yet legally secure alternative to a process in court. ARN will not perform its own investigation, relying instead on the parties to submit and present background information for the consideration of the Board. When examining a dispute, the Board will base its assessment on the currently applicable law, i.e., on legislation and legal practice. ARN's decision includes a proposal for how the dispute should be settled. Before you submit a dispute, you must make sure that it can be examined by ARN. The company must, for example, have rejected your claim; you must submit your report within six months of the day when the company did so; and your claim normally needs to be above a certain value.

It is important to note that ARN only gives recommendations, and that these cannot be appealed, however, the consumer or company may request to have the dispute brought before a public court.

Svenska Kraftnät (SvK)

Svenska Kraftnät is a state-owned public utility with many different responsibility areas. Its activities are financed through the fees paid to Svenska Kraftnät by regional networks and major electricity producers to use the national network.

One important task of Svenska Kraftnät is to transport electricity through the national network where the electricity is taken from the large power stations to the regional networks (the network operators are then responsible for the transport on the regional and local networks) and also to connections abroad. SvK monitors the national network for electricity and ensures that there is always a balance between consumption and production in Sweden.

SvK is also the authority responsible for the Swedish operating reserve and makes efforts to strengthen the national electricity supply in order to handle various emergency situations. SvK also coordinates the national dam safety.

Swedegas

Swedegas has sole ownership of the national network for natural gas in Sweden. The Swedish Government has allocated to Swedegas responsibility for balancing the natural gas transmission network from 1 June 2013, a responsibility which before that fell to

Svenska Kraftnät. This means that Swedegas handles both operation and maintenance of the national network and ensures that the consumption and supply of gas is balanced.

Electricity suppliers

As an electricity consumer, you have an agreement with an electricity supplier for the purchase of electricity to your home. The supplier will normally purchase electricity from the Nordic power market, Nordpool, and then sell it on to its customers. The supplier sells electricity on the free market, in competition with other electricity suppliers. Actors on this market are free to set their own prices and it is thus up to the consumer to choose the electricity supplier offering the best deal. All of the approximately one hundred Swedish electricity suppliers are obligated to report the prices and the terms and conditions of the most common agreements to the Energy Markets Inspectorate, which will then publish the information on the web-based electricity price comparison service elpriskollen.se. There you can receive help with comparing electricity agreements.

Electricity suppliers with balance responsibility

An electricity supplier can also have a balance responsibility, meaning that the electricity supplier has a financial responsibility to ensure that there is always a balance in the amount of electricity added and withdrawn at the infeed and outtake points that fall under the balance responsibility. If an electricity supplier is unwilling to manage its balance responsibility, it can hire another supplier or a specialised company to do so. Obtaining a balance responsibility requires a contract with Svenska Kraftnät concerning balance responsibility.

Natural gas suppliers

As a natural gas consumer, you have an agreement with a natural gas supplier for the delivery of natural gas to your home. Nearly all natural gas is imported via Denmark, however, an increasing proportion of biogas is being upgraded to natural gas and added to the pipe system. The natural gas suppliers sell gas to their clients on the free market, in competition with other natural gas suppliers. Actors on this market are free to set their own prices and it is thus up to the consumer to choose the natural gas supplier offering the best deal. You can compare agreements via Gaspriskollen, which can be found on the Swedish Consumer Energy Markets Bureau's website, energimarknadsbyran.se.

Natural gas suppliers with balance responsibility

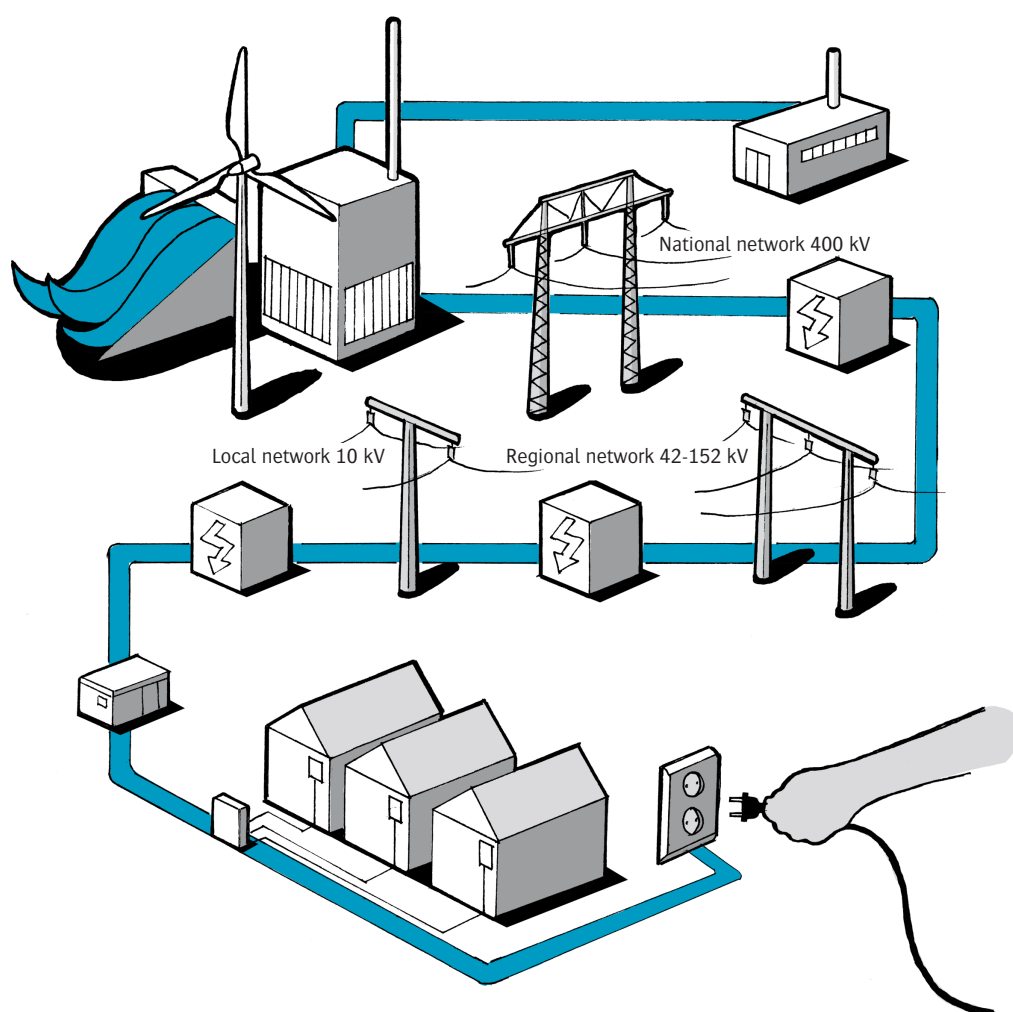
A natural gas supplier can also have a balance responsibility, meaning that the natural gas supplier has a financial responsibility to ensure that there is always a balance in the amount of natural gas added and withdrawn at the infeed and outtake points that fall under the balance responsibility. If a natural gas supplier is unwilling to manage its balance responsibility, it can hire another supplier or a specialised company to do so. Obtaining a balance responsibility requires a contract with Swedegas concerning balance responsibility.

Electricity network operators

In Sweden, there are approximately 160 electricity network operators, which own the electricity networks and are responsible for transporting electric power from the production facilities to the customers. The electricity network operators are responsible for the

transport across the regional and local networks. The regional networks transport electricity from the national network to the local network, and sometimes to major electricity customers such as industries. The local grids distribute the electricity to the customers within a certain area.

All electricity network operators must have a permit (known as a concession) to construct power supply lines. The Energy Markets Inspectorate issues these permits after an assessment. The Energy Markets Inspectorate also evaluates the equity of the total revenue that the network operators may charge their customers.



Gas network operators

In Sweden, there are seven gas network operators, which own the gas network and are responsible for transporting the gas from the production facilities, through the pipe network, to the consumers.

The Swedish natural gas system is located in the South and West of the country. The system consists of a national network owned by Swedegas, which stretches across the Öresund and up to Stenungssund in Bohuslän. From this main pipe, other pipes branch out to regulator stations. From these stations, the gas is then distributed out to regional and local distribution systems. The Swedish natural gas network was originally built for natural gas, but now biogas is also being fed into several of the local distribution systems and is distributed along with the natural gas.

The gas network operators have the responsibility of ensuring the safety, reliability and efficiency of the pipe systems. In addition, all gas network operators must have a permit (known as a concession) to construct and operate gas pipelines. The Government decides whether to issue such a permit once the Energy Markets Inspectorate has reviewed the application. Ei also monitors the distribution fees set by the natural gas undertakings.



Source: The Swedish Gas Association (Energigas Sverige)

For more information visit ei.se

Compare electricity agreements on elpriskollen.se

Contact registrator@ei.se

SWEDISH ENERGY MARKETS INSPECTORATE

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