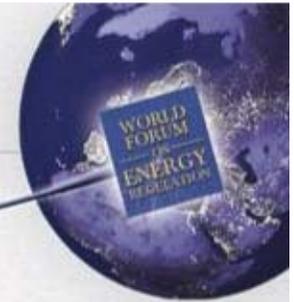


Presentation on Service Quality in  
Electricity Distribution:  
Improvement expected by effective  
regulation and smart grid applications

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# The draft Greek Electricity Distribution Code provides the necessary incentives for quality improvement and long term cost reduction



Customers are highly sensitive to all aspects of service quality

Commercial services quality	Technical quality	
	Voltage quality	Reliability of supply

When only price regulation (price or revenue caps) is used, a distribution company's incentives to deliver efficient levels of service quality tend to drop

## Instruments to secure desirable levels of performance are used:

- **publication of quality data**
- **quality standards in the form of:**
  - lower limits of quality delivered to individual consumers,
  - system average levels of quality, and
  - an agreed-upon individual level of quality in case of premium quality contracts
- **financial incentives:**
  - monetary compensation paid to the affected consumers (in the cases of lower quality limits and premium quality contracts),
  - rewards and penalties affecting the annual regulated income of the distribution company

# Ex ante regulation for a sufficiently long regulatory period



**For each Regulatory Period the following are defined by Ministerial Decree:**

**– the Quality of Service expected to be provided to the end Users:**

**Limits:**

Individual guarantee  
Total performance

**For different quality dimensions:**

voltage quality,  
interruptions of supply,  
commercial services

**Linked to:**

Financial incentives  
(penalties and rewards)

**– the Regulatory Framework for Network Development:**

- establishes all key axes for the development of the Network,
- provides also incentives for research and development programs

**– the annual consideration for the Network**, specifying at the beginning of each Regulatory Period:

- the Annual Reference Consideration for O&M and
- the Reference Rate of Return,

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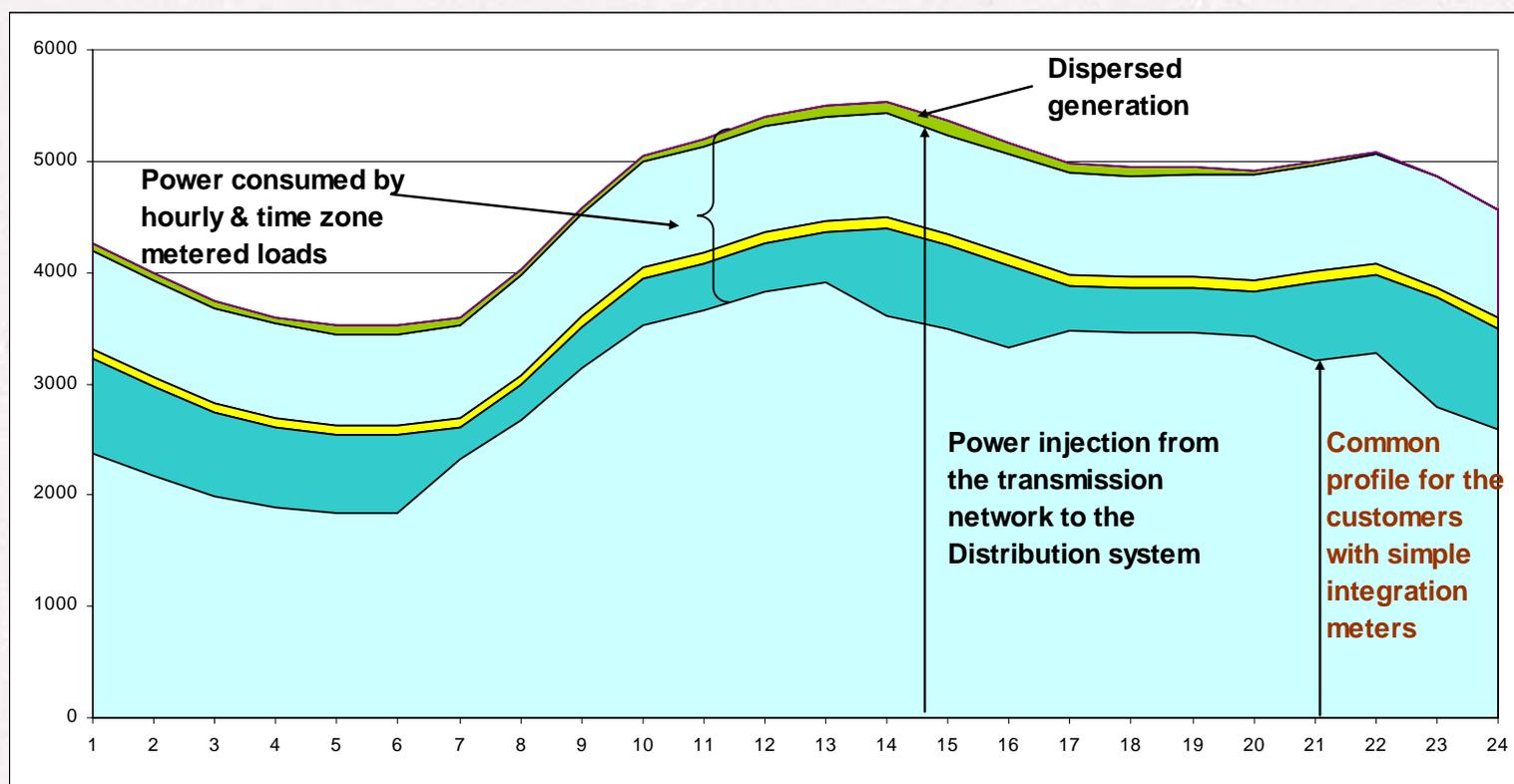
- providing also specific incentives for losses reduction

# The installation of hourly meters with remote data acquisition is promoted

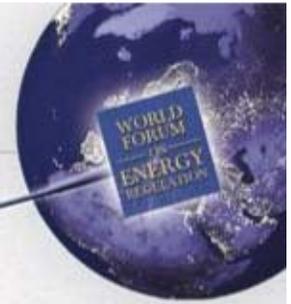


**Directly:** The DSO should promote the elaboration of studies for the mass installation of Hourly LV electronic Load Meters, at least with respect to urban areas

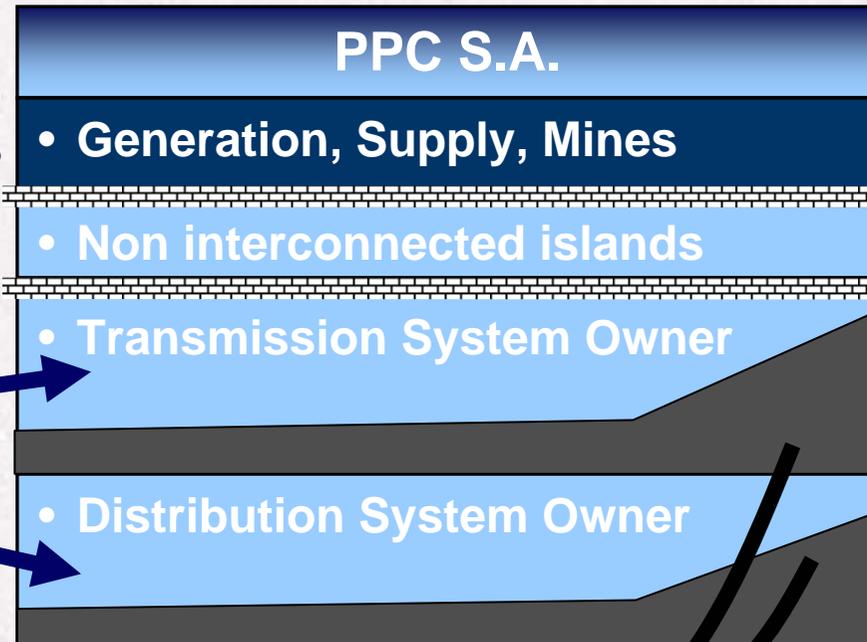
**Indirectly:** customers with better profile benefit from the installation of modern technology meters (a common profile (average) is used for charging the rest of the customers)



# Current unbundling regime is not efficient, especially for Distribution activities



• **Current unbundling regime:** combined networks operator, legally unbundled, without assets



Chinese walls

Orders

Transfer of personnel and competences

Regulatory signals affect financially the Distribution Owner, while major decisions are being made by a legally unbundled DSO →  
**PPC has proposed a single DSO and Distribution Owner, in the form of a subsidiary**



# Thank you for your attention

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