

Letter from **Concerned Gas Customers**,
Stockholm, Sweden

To the **European Commission**
Commissioner **Meglana Kuneva**,
Consumer Protection
Commissioner **Andris Piebalgs**
Energy

To our initial contact in the Consumer
Protection Team
Assistant **Anna Stankeva**

Anna-Dimitrova.Stankeva@ec.europa.eu

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“Gas will be shut off in these areas” translation

Thank you Anna Stankeva for your helpful response to our call for help. We understand that you will be delivering this request to those within the European Commission that will evaluate how we should proceed. Hopefully they will be able to give help and/or support against the Fortum Holding company (Fortum and Stockholm Gas). In our communications, we will refer to this company as Fortum.

We are writing on behalf of a large group of consumers that are being very unfairly treated by our gas provider, **Fortum**. We, writing this letter, are specifically located in the area called Norra Ängby, shown in the northern corner of the map. There are 82 000 gas customers in Stockholm. The number affected by this suggested change is 2 700.

Fortum delivers gas to our homes and bills us. They also bill us for the use of the gas network that they own. There is no other gas network provider to our area so we are feeling cornered. A monopoly since there is no another provider that we can turn to.

We were shocked to receive letters on May 7th (we have noticed that it was the day after your impressive conference) . . . shocked because these letters told us that our gas is going to be shut off within the next five years. Letters went out simultaneously to the press.

Several days later, May 13th, we received an additional letter/brochure shown to the right. At first glance, it appeared to be a party invitation.

It says “**Gasleveranserna till din fastighet upphör**” which translates to:

“Gas Delivery to your Home is Ending”.

Hardly anything to celebrate.

A translation of the brochures introductory paragraph follows in italics.
It tells us more clearly **WHY**:

Gas usage in Stockholm is diminishing

To safeguard the provision of gas in Stockholm in a steadfast and good environmental manner, Stockholm Gas must concentrate their business to the areas where most customers live and work.

Unfortunately, the number of gas customers in your area are too few and is steadily diminishing. Many have chosen and continue to choose other energy solutions. Gas is simply not a competitive alternative for heating and it is no longer defensible to keep the gas network in your area in operation. We are sorry for this, but we adapt ourselves to our customers.



??? This last sentence does not make any sense. They seem to be saying that we customers are at fault.

Three percent of Stockholm's gas customers will be affected by this adjustment, but when everything is implemented, 25% of the total gas network will actually be shut down. The jump from 3 to 25% is rather unclear.

The brochure goes on to tell us **WHAT THEY EXPECT OF US**. It also gives us a contact person from Stockholm Gas that we have spoken with. (Sara Wallin, +46 8 6717421)

Since they will be changing to natural gas within a year, we are told that we must change our present equipment to suit their change. Some of us have recently invested in gas and this newer equipment will work with the initial change to new cleaner gas. Others, who have older equipment, are expected to buy new equipment. The only cost coverage that is being offered to customers is the free installation of a new stove.

They tell us that it is too costly for them to repair the network that reaches us. More clearly stated, their profit is not enough on certain threads of the network.

They also tell us that our energy source must be changed before they shut down. They offer a partial compensation for our equipment based on age.

BUT the cost of this change is to be totally covered by us.

As examples, we show you approximate calculations (number are Swedish crown, euros are in brackets) for two households. Their gas investments (equipment and conversions) began in 2000. They had expected their investments to last 40 – 50 years.

	Investment New equipment	Compensation a total guess	Loss	Investment in a different energy* Forced on us
LeBlanc	78 000 (8 372)	15 000 (1 611)	60 000 (6 438)	100 000 (10 736)
Reimers	100 000 (10 736)	22 000 (2 362)	78 000 (8 372)	175 000 (18 782)

*There is an intense sales campaign on the part of Fortum that encourages us to buy **their alternate energy**: Fjärrvärme. (We are not quite sure of the English name for this, possibly distant heating)

This Shut-down decision is clearly for Forum to make higher profits. They want to reduce their operational costs, sell us new equipment and avoid the repair costs on portions of the network. Fortum does not see enough profit for themselves in keeping us as customers. They convinced us in 2000 of the great value and long-term investment that gas was. Now we are being brushed aside.

We are not against the transition to natural gas. We understand that clean, natural gas is a better solution for us and for our world. But the solution being presented to us is crazy. And what is most upsetting is that we have not been asked . . . we are being told:

- this decision has been made
- you have no choice
- prepare yourself to pay

In earlier brochures and letters, we were repeatedly told how wonderful gas was and that it was a safe, secure, long-term solution of energy for our homes. (We can translate this information.)



We have been researching our options. We have discovered the impressive work that you are doing with energy questions within the EU. We read of the May 6th **Conference on the Promotion of the Rights of Energy Consumers** and have now been listening to the web-streaming of the conference. (It works quite well.) We have discovered a great deal of information about the rights that have been

legislated for us since 2003 (Directive 2003/55/EC). We are encouraged to hear and read that you are on our side. The Energy Consumer Checklist, in your conference presentation, places **Connection to the network** as one of nine priorities.

During the conference, you spoke of the protection of vulnerable customers. We see this as very good and positive social movements. It's clear that you are meaning financial help for people unable to pay their energy costs. They may find themselves in some sort of tragic situation, medical or otherwise.

It is different, but we can only describe our situation as helpless and vulnerable as well. If we are forced to follow the dictatorial messages from Fortum, many of us will be placed in devastating economic situations.

Measures suggested by Fortum are quite unbelievable, wrong and unfair. Can you help us?

We are not against the transition to natural gas, but we should not be penalized when this takes place in Stockholm.

We are in the process of trying to reach all affected households (2 700) so that we can become a more influential mass. We know that the company has the total mailing list, but it is not in their interest to share it with us. We are in the process of reaching this vulnerable group through newsletters in our residential areas, through media and through direct messages being sent from resident organizations. It is in the interest of all 2 700 gas customers, small and large homeowners, to become informed and involved. If we are not able to reverse this in some fashion, we all face a big financial loss.

In Fridays' conversation with Anna Stankeva, we were asked to write, to explain our problem and to include as much information as possible. Is this sufficient to begin with? There is additional information that we can send to you. Much of it is in Swedish, but can be translated for you. We have also discovered information that indicates that the company has been moving towards this decision for some time . . . and at the same time encouraging customers to invest in gas.

We appreciate your taking a look at this problem and we look forward to hearing from you.

Sincerely,



Terry LeBlanc . . . on behalf of **Concerned Gas Customers**, Stockholm, Sweden

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Cc: Commissioner **Margot Wallström**, Vice President