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OMBUDSMAN’S ANNUAL REPORT
EDP 2016
I am pleased to present the Annual Report of the activities carried out in 2016, a year marked by many changes in Portuguese society, in the EDP Group and in relation to customer preferences and options.

The EDP Group’s Client Ombudsman continues to be the ombudsman of the European Union that most enhances the proximity to consumers through its online portal. Also, it has the fastest appraisal processes since the average time for issuing an opinion relative to each complaint was 10 days, which contrasts with the usual 2, 3 or more months of ombudsmen of other groups/companies present in different EU countries.

I am grateful for the collaboration I have always received from the EDP Group and, in particular, from all consumers who have sought assistance from the Client Ombudsman, for their purposeful and constructive attitude which has greatly contributed to overcoming difficulties and regaining their trust.

Luis Valadares Tavares, EDP Client Ombudsman

Lisbon, April 20, 2017
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01
Introduction

This report gives a summary of the activity of the Client Ombudsman between January and December 2016. It ensures compliance with the duty to provide information established by Art. 22 of the Client Ombudsman Regulations.

The report also intends to achieve three main objectives:

• Communicate the activities performed between January and December 2016 (Part I)
• Analyze the customer dissatisfaction as well as the performance appraisal by the complainants (Part II)
• Present proposals for improving the relationship between EDP and its customers (Part III).

Part I tackles the following topics:

• Mission of the Ombudsman
• Information System - SWOP Platform
• SWOP Components
• Taxonomy of Complaints
• Main Statistics

Part II includes:

• Management of EDP customers’ dissatisfaction and expectations
• Assessment by complainants of the ombudsman’s performance
• Project for implementing improvements on the website

Part III contains:

• Strategic Proposals

This report also includes an Executive Summary, a Glossary of Statistics and Acknowledgments.
Executive Summary

In 2016, the Internet (electronic form on the Ombudsman's website) was the communication channel most used by complainants' to interact with the Client Ombudsman. It also continued to be universally accepted by users who contacted the Client Ombudsman, since they made no complaints requesting other communication channels. This conclusion is certainly relevant in the evolution of EDP's complaints management systems.

We highlight the following statistical data for the period under review:

I. Complaints Inflow

- 1982 complaints were filed with the Client Ombudsman, which corresponds to an average of 5.4 complaints per day. This translates into a 21% decrease compared to 2015.

- Most of the complaints filed (65.7%) were concerned with Power, while 4.6% were related to Gas and 23.3% to dual customers. These results represent an increase in the complaints filed for electricity, in comparison with 2015 (64.3%), while those concerning the other areas decreased.

- The overwhelming majority (86.6%) of the complaints on matters of a commercial nature were filed by customers of EDP Comercial, whereas 9.1% of complaints were made by EDP Serviço Universal customers. This is a slight increase from the 2015 percentages for EDP Comercial (84.3%). EDP Gás Serviço Universal customers also filed complaints (0.3%). There were also 31 complaints (1.6%) related to other energy suppliers.

- 94.6% of the complainants were EDP Customers, meaning that 107 complaints (5.4%) were from non-customers. The complaints from EDP customers increased compared to the 2015 data (91.7%).

- 1453 of the 1982 complaints filed corresponded to unique complaints (87%), the remaining 529 complaints were submitted by "repeat" complainants. There is an increase in unique complaints (72.4%), compared to 2015.
• Of the total number of complaints already answered, 728 (29%) had no record of any complaint registered by EDP’s internal services, although in some cases the customer considered that they had done so, in particular by telephone. This registers a slight increase compared to 2015 (28%).

• 25.1% of the 1982 complaints were filed by consumers residing in service quality zone A, 36.4% of the complaints were from consumers of service quality zone B and 38.4% from service quality zone C. This represents a slight decrease in complaints from zones A and B, meaning about 68 complaints per 100,000 consumers of zone A or B and 48 complaints per 100,000 consumers for zone C.

• The vast majority of the complaints received concern private customers (92%). The percentage of complaints from corporate customers fell slightly compared to 2015 (9%).

• 14% of the total number of complaints filed in 2016 were made due to shortage of information and 32% stated the transfer of responsibility as their cause. None of the complaints were based on problems requiring a complex solution.

• The number of customers interacting with the specific ombudsman website through the IP sub-number has been increasing since 2010 and now totals around 150,000 users. This increase in number of users confirms the vast penetration of this online communication and interaction tool among the EDP group customer base. In other words, the Client Ombudsman’s “ecosystem” will cover more than 175,000 customers in 2017.

II. The following was registered in terms of Site Visits during this period (January - December 2016):

• Page views totaled 147,985, corresponding to an average of 5.53 page views per visit. Average page views per visit in 2015 were 6.22.

• 21,428 are unique visitors, equivalent to an average 56 unique visitors per day, resulting in a slight decrease compared to 2015 (23,567).

• Considering the 1982 complaints filed, there is a ratio of 107 complaints for every 1000 unique visitors. The ratio of complaints for each 1000 unique visitors in 2015 was 107.

• The site page with the FAQ was heavily used by customers during 2016 (1,832 visits), corresponding to 6.85% of the total annual visits.

III. Taxonomy of Complaints

The Taxonomy designed in 2009 for complaints filed with the Ombudsman continued to be used in 2016, although with some minor adjustments made at the end of 2010 due to the weighting of that taxonomy to the complaints filed in the meantime.

A. Contracts

A1. Pre-contractual information
A2. Data updates
A3. Other amendments
B. Supply

B1. Installation / connection or reconnection
B2. Outages
B3. Voltage/load
B4. Disconnection
B5. Losses associated with the supply of energy

C. Meter Reading/Billing/Payments

C1. Reading/operation of meter
C2. Bill components
C3. Estimations
C4. Billing periods
C5. Sending/receiving bills
C6. Payments
C7. Payment plans

D. Works and other Interventions

D1. Disrespect of third-party property (crossings, etc.)
D2. Property losses (trees that fell, etc.)
D3. Works in public areas

E. Networks and Street Lighting

E1. Lighting
E2. Defects/faults not repaired in a timely manner
E3. Planning/safety
E4. Environment

F. Customer service

F1. Contradictions and delays in clarifications and responses
F2. No response
F3. Behavior/conduct
F4. Absence of intervention (or inadequate intervention) on the expected date/time
F5. Special offer campaigns

G. Others

Of the 1982 complaints filed with the Ombudsman, all the classes registered complaints, except Class G ("Others"). This result confirms that the taxonomy model developed meets the classification needs of the different complaints and is being correctly used since the complainants do not feel the need to resort to Class G ("Others").
IV. Causes of complaints classification

The adopted taxonomy also allows the causes of the complaints to be segmented into three main groups:

a) Shortage of information provided to the customer in a timely manner - **Information deficit**
b) Delayed responses by EDP - **Slowness**
c) Disputes regarding rights and duties, including payments or compensation – **Conflict**

It is verified that Information deficit and Slowness correspond to 24% and 30% of total complaints. Consequently, the majority of the complaints are currently generated by EDP’s actions (54%).

V. Ombudsman’s response to complaints filed

The Ombudsman’s average response time was around 10 working days, that is 3 working days less than the average response time recorded in 2015 (13 days). This reduction in working days reflects the effectiveness and efficiency improvements achieved following the adjustments made to the process and improvements on the website.
VI. Complaints filed without prior query

The Client Ombudsman has dealt with complaints not preceded by a query since it first started its role in 2009. This has been the case even though it is not provided by the regulations in force, taking into account its objective of always contributing to the improvement of the relationship between customers and the EDP Group, and to facilitate resolving the problems presented. Also, it should be noted that the number of that type of complaints has been increasing, accounting for 34% of all complaints in 2016, compared to 29% in 2015.

This growth confirms customer preference for filing complaints through a simple and easy online system. This should be the reason for encouraging greater ambition regarding the promotion of the EDP Group’s online channels of interaction with the customer, instead of the more traditional, burdensome, costly and less appropriate channels for interaction based on multiple documents, namely invoicing and contracting.

VII. Distribution of the decisions of the ombudsman

The Ombudsman’s decisions on the 1982 complaints filed were distributed as follows:

- In 38% of the total complaints, the decision agreed with the customer’s intentions.
- In 35% of the total complaints, the matter was already resolved at the time of the Ombudsman’s decision.
- In 23% of the total complaints, the decision disagreed with the customer’s claims.
- In 4% of the total complaints, the decision agreed with the customer’s claims.
- The predominant decision of the Ombudsman was in agreement with that claimed in most classes: A (“Contracts”), B (“Supply”), C (“Meter Reading/Billing/Payments”), D (“Works and other Interventions”), E (“Networks and Street Lighting”) and F (“Customer Service”).
VIII. Alignment between the Ombudsman's Decisions and EDP's responses to the Customer

- In most complaints (53.4%), the Ombudsman's decision was fully aligned with EDP's most recent response prior to the decision, which translates into a decrease in the percentage figures since 2015 (55%).
- In 16.2% of complaints, the Ombudsman's decision to tally disagreed with EDP's response, which is a significant decrease since 2015 (34%).

IX. Reception of the Ombudsman's Decisions by EDP

The Executive Board of Directors of the EDP Group has never decided differently in terms of the complaints that the Ombudsman has already issued a decision.

X. Litigation

From the 1982 complaints, there are no cases known where the litigation has advanced to the courts.

XI. Website Improvements

Slight changes were made throughout 2016 to the EDP Client Ombudsman website, both front office and back office. These alterations were to improve the customer interface and to optimize the response time and response quality.

XII. Dashboard 2016

The Dashboard for 2016 is attached below in the summary.

XIII. Strategic Proposals

In light of the progress already achieved, it is possible to recommend to EDP that it focuses its priority on the proposals included in Part III.

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Type of Ombudsman Decision according to Taxonomy of Complaints

VIII. Alignment between the Ombudsman's Decisions and EDP's responses to the Customer

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Dashboard - Empresas

9. Número de queixas por 100.000 clientes e de reclamações por 10.000 clientes

10. Rádio do número de queixas (por 100.000 clientes) EDP C vs EDP SU -> X

11. Rádio do número de reclamações (por 10.000 clientes) EDP C vs EDP SU -> Y

12. Índice Y/X

13. Número de queixas por mês, por 100.000 clientes

14. Taxonomia (*)

15. Queixas "Produto" vs "Serviço" (*)

16. Tipos de resposta do Provedor

Nota: Valores só para clientes com consumos EDP.
The figure of the Client Ombudsman, an external entity independent from EDP, was created back in 2008. The Regulations of the Client Ombudsman of the EDP Group Companies was approved on March 25 of that same year.

On March 1, 2009, Professor Luís Valadares Tavares took on the role of Client Ombudsman and he is committed to the following mission, based on the regulations and his vision

A. Mission

"Presuming trust is a valuable asset in the uncertain world in which we live in, it is my mission, as an independent entity, to contribute to the strengthening of trust in the relationships between the EDP Group companies and their Customers. My decision will be based on impartial principles and it shall be guided by fairness criteria, while also taking into account the frameworks orientation adopted by the European Union."

The new regulations, annexed documents, were approved on October 28, 2014. These new regulations are aligned with the mission, while streamlining the relationship with the customer by facilitating access to the Ombudsman and reducing response times.

To carry out this mission, the following were identified as core activities:

A1. Main activities

- Receive and analyze the complaints filed by the Customers, directly related to acts or omissions of the EDP Group companies.
- Establish dialogue with the complaining Customer.
- Mediate any type of disputes and conflicts between the Customers and the EDP Group companies.
- Issue decisions on matters related to the activity of the EDP Group companies, when it is requested by any of those companies’ governing bodies.
- Propose the adoption of measures that will contribute to the improvement of the service quality and customer satisfaction indexes.
- Make contacts with external partners in order to obtain information and expertise to support the recommendations made to the EDP Group companies in order to adopt measures that will enhance their relationships with their Customers.
04
SWOP Information System

The Client Ombudsman website is the communication channel chosen for filing complaints. Nowadays, the vast majority of the Portuguese population have access to the Internet and are familiar with the use of this communication channel.

The management and handling of complaints submitted through the website to the Client Ombudsman is ensured by a specially designed system called SWOP - Smart Web Ombudsman Platform.

The SWOP platform allows to:

- Centralize communication with users through a single channel - the Ombudsman website, available at http://provedordocliente.edp.pt
- Standardize the format of complaints filed - there is an electronic form for filing complaints
- Systematize the complaint filing process
- Keep a Database with registration of all the complaints filed and the creation of a unique key (internal stamp) for each complaint of the Database
- Automate the register of the key complaint data (e.g. filing date)
- Minimize the number of ineligible complaints received
- Ensure prompt response to the complaints received

SWOP Components:

- Ombudsman Website (Frontend)
- Electronic complaint form
- Database where complaints sent through the website are registered
- Unique key (internal stamp) to identify complaints
- Back office of the Ombudsman website
- Workflow of the processes of analysis, processing and response to complaints
- Typology for classification of complaints
The Client Ombudsman website is available at http://provedordocliente.edp.pt and it has the following graphical layout:

The electronic complaint form that is the main feature of the Client Ombudsman website, has the following graphical layout:
This feature is associated with a database where all the identifying and descriptive elements of the complainant and their complaint are recorded. The main characteristics and advantages of this form are:

- Standardization of complaint format
- Systematization of the complaint filing process
- Archive of complaints in a central database
- Association of a unique key with each complaint
- Automatic registration of the complaint filing date
- Automatic pre-check of the eligibility of complaints

The unique key, which we call “internal stamp”, unequivocally and quickly identifies complaints. The format of the internal stamp is the following:

The schematic below shows the workflow of the analysis, processing and response to complaints processes.
In summary, the system has proved to be effective both for the Client Ombudsman and for the complainant.

The following advantages are highlighted for users:

- Easy to fill out form
- Guidance in filing the complaint
- Safeguarding and confidentiality of all information submitted by the user
- Minimization of the occurrence of ineligible complaints
- Possibility of tracking complaint status
- Greater control of response times for the complaints filed

The following benefits are noted for the Client Ombudsman and EDP:

- Automatic centralization of all complaints into a single database
- Easy complaint analysis (they are filed in a standard format)
- Removal of situations of potential disagreement on the content of the complaints filed
- Elimination of the risk for loss or alteration of complaints
- Reduced need to verify the eligibility of complaints
- Greater control of response times
- Possibility of producing statistics from the database records
- Possibility of adding other information to complaints in the back office (Taxonomy Classification, EDP Response Date, Ombudsman Response Date)
- Centralization of all phases of the process on the same platform
SWOT Components

The main SWOP components are:

A. Main Components:
   - U, User (EDP Customer or non-customer)
   - PC / GPC, Client Ombudsman/Office of the Client Ombudsman

B. Internal Components of the EDP Group:
   - DCMK, Customer and Marketing Department
   - DDC - AE, Commercial Development - Special Customer Service Department
   - DSI, Information Systems Department
   - EBD, Executive Board of Directors

C. External Components:
   - WayNext - Ombudsman website maintenance/development
   - Interhost - Supplier of hosting services for the Ombudsman website

C. Computer systems:
   - SPC, Client Ombudsman Website
   - SGD, EDP Document Management System

The features and functions of each SWOP component are as follows:

A1. User (U)

The user represents all persons - customers or non-customers of EDP - who file complaints with the Client Ombudsman. We may also consider, in a broader perspective, that any visitor to the Ombudsman website is also a system user, regardless of whether or not they file a complaint with the Ombudsman. The entire system was designed and geared to the needs of its future users.

A2. Client Ombudsman/Office of the Client Ombudsman (PC / GPC)

The main purpose of the Client Ombudsman (PC) is to defend and promote the rights of the Customers of the EDP Group companies, in the exercise of its activities (Article 1 of the Client Ombudsman Regulations). In this system, the PC is the entity responsible for:

   - Receipt and analysis of complaints
   - Mediation of any disputes and conflicts between users and the EDP Group companies
   - Making decisions and issuing proposals for improvement in the areas related to EDP’s business
• Contact external partners in order to obtain information and expertise to support the recommendations made to EDP

The Client Ombudsman has its own organizational structure, called the Office of the Client Ombudsman, in which the following personnel are directly assigned:

  João Branco, integrated in the Customer and Marketing Department (DCMK)
  Maria Inês Marques, integrated in the Customer and Marketing Department (DCMK)
  Gracinda Carlos, who also supports the Ethics Ombudsman

The Ombudsman and respective personnel interact with the relevant structures of the EDP. The staff with which they most frequently interact are indicated below:

B1. Customer and Marketing Department (DCMK)

This Department, integrated in EDP SA and headed by Ferrari Careto, is the direct liaison of the Client Ombudsman in EDP, and therefore plays a crucial role in the system functioning.

The knowledge and experience of DCMK in the business and administrative processes of the EDP Group companies are an essential contribution to the correct analysis of the complaints by the Ombudsman. This Department orients and forwards the requests for clarification from the Ombudsman to the other units and services of the EDP Group companies, thus greatly facilitating the communication process between the Ombudsman and these entities.

Composition of the team that worked with the Office of the Ombudsman in 2016:

  Ferrari Careto, Director of DCMK Department
  Allen Vasconcelos, Deputy Director of DCMK Department – Customer Vision Area Coordinator
  João Branco
  Maria Inês Marques
  Maria de Fátima Figueiredo

B2. Commercial Development - Special Customer Service Department (DDC - AE)

The DAC - VE, a department of EDP Soluções Comerciais which is headed by Sita Carvalho, is the internal entity of EDP responsible for locating and linking the user’s initial complaint with the second instance complaint (i.e. the complaint filed with the Client Ombudsman).

Thus, in this system, the role of the DAC - VE is critical, since it involves verifying the history associated with each complaint, analyzing the Ombudsman’s request for clarification and preparing the response to the Ombudsman’s request for clarification.

To perform this task, the DAC - VE directly accesses the back office of the Ombudsman’s website and enters the relevant available information in each complaint.

The DCMK (Client Ombudsman support) and DAC - VE worked jointly during 2016 to identify possible procedures that could be adjusted in order to make the whole process more efficient and effective, preventing an increase in the volume of complaints filed with the Ombudsman causing a bottleneck in the activity. This effort resulted in a series of improvements that were implemented during 2016.
DAC - VE team members who work with the GPC:

Pedro Vinagre – Director of DAC Department
Sita Carvalho, Head of DAC – VE
António Oliveira
Manuel Igreja

B3. Information Systems Department (DSI)

The Information Systems Department, with Vítor Costa as the liaison officer, was especially important in two different moments: first, in the concept and design phase of the Ombudsman website and, later, in the definition and implementation phase of a circuit to integrate the complaints from the Client Ombudsman website (SPC) with the document management system (SGD), allowing cross-communication between EDP services and units.

DSI team members who work with the GPC:

Vítor Costa
Vera Correia

B4. Executive Board of Directors (EBD)

Miguel Stilwell d’Andrade, who is the executive director responsible for EDP Comercial and DCMK, among others, is the liaison on the Executive Board of Directors (EBD) for matters of a strategic nature, resulting from the activity carried out by the Client Ombudsman. It is precisely on these matters that the contribution and clarifications of the EBD are especially important.

The very valuable collaboration of the following external entities was called on for the development of the system:

C1. WayNext

SWOP is technologically based on the Ombudsman website, so its development and implementation were outsourced by EDP to an external contractor. A market consultation was undertaken for this purpose and the company WayNext was selected.

The interaction with this company was particularly critical during the period of the website design, namely the construction of the features for ‘sending the complaint’ and the entire back office system that supports the database with the records of the complaints submitted through the website. Its assistance was also essential for the implementation of the Expert System, in 2013.

Team members:

Nuno Monteiro, Project Manager
Raul Rita, Programming Technician
C2. Interhost

It was also decided for the Ombudsman website that the hosting was going to be outsourced by a professional external entity, essentially in order to address the potential risks and vulnerabilities generated by this type of site. After consulting the market, the contract for hosting services of the Ombudsman website was awarded to Interhost.

Interhost ensures the operational effectiveness and good performance in terms of access and availability of the Ombudsman website. It provides maintenance, monitoring and support services in order to prevent and respond quickly to potential anomalies that may occur in accessing the website or its availability. It also provides reporting tools that allow access to statistics of the services listed above.

Team members:

   Ana Matos, Financial Department

The Client Ombudsman website plays a central role in the system, serving as an interface between Users (U) and the Client Ombudsman (PC) through the front office, that is visible and accessible to all visitors of the website.

In addition to the front office, there is a back office area of restricted access. Identified users have been defined to access that area as well as query, edit and transfer all data stored in the website database. These users, assigned to personnel of DCMK who support the Office of the Client Ombudsman (PC / GPC), and the DAC - VE, can thus easily analyze, process and respond to all complaints filed through the website, up to that date.

This entire process was reviewed in order to develop new methodologies based on the Ombudsman website. It was the main tool throughout 2016 for analyzing and managing all requests for appraisal. A contractual review had to be undertaken in order to ensure the desirable performance in terms of speed access.

Cost and Term

The overall cost of maintaining the system was greatly reduced in 2016, and fully supported by the annual budget for the provision of services by the Ombudsman.
06
Taxonomy of Complaints

Each complaint is classified and processed according to the following taxonomy:

A. Contracts:
   A1 - Pre-contractual information
   A2 - Data updates
   A3 - Other amendments

B. Supply:
   B1 - Installation/connection or reconnection
   B2 - Outages
   B3 - Voltage/load
   B4 - Disconnections
   B5 - Losses associated with the supply of energy

C. Meter Reading/Billing/Payments
   C1 - Reading/operation of meter
   C2 - Bill components
   C3 - Estimations
   C4 - Billing periods
   C5 - Sending/receiving bills
   C6 - Payments
   C7 - Payment plans

D. Works and other Interventions
   D1 - Disrespect of third-party property (crossings, etc.)
   D2 - Property losses (trees that fell, etc.)
   D3 - Works in public areas

E. Networks and Street Lighting
   E1 - Lighting
   E2 - Defects/faults not repaired in a timely manner
   E3 - Planning/safety
   E4 - Environment

F. Customer service
   F1 - Contradictions and delays in clarifications and responses
F2 - No response  
F3 - Behavior/conduct  
F4 - Absence of intervention (or inadequate intervention) on the expected date/time  
F5 - Special offer campaigns

G. Others

Each complaint may have up to two distinct taxonomic classifications, at the back office level. This need arises from the fact that each complaint may be associated with more than one area.

In Chapter 5 we present the graphical representation of the statistical data associated with the taxonomic classification of the complaints submitted by the complainants.
07
Main Statistics 2016

We graphically present in this chapter the main statistics concerning:

A. Site Access
B. Filing complaints
C. Responses to complaints

A. Site Access

These statistics were extracted directly from the Google Analytics tool and are presented in the following reports:

- Visitors Overview
- Traffic Sources Overview
- Content Overview
- Coverage Overview

B. Filing complaints

These statistics result from the analysis and statistical processing of the website back office data, which collects all the information associated with each complaint.

C. Responses to complaints

These statistics result from the analysis and statistical processing of the website back office data, which collects all the information associated with each complaint.
A. Site Access

A1. Visitors Overview

- During the period from January 1 to December 31, 2016, the Ombudsman site was visited by 21428 people (unique visitors), which represents an average of 56 unique visitors per day. The average number of unique visitors per day in 2015 was 65.
- Page views totaled 147 985, corresponding to an average of 5.53 page views per visit. Average page views per visit in 2015 were 6.22.
- The average time spent on the site per visitor was 4 minutes 22 seconds, being less time than in 2015 (4 minutes 45 seconds).
- During the period under analysis, the Ombudsman site had a bounce rate of 30.82%, which means that slightly under one-third of the visitors left the website via the landing page, i.e. they did not browse through the Ombudsman website. This figure was lower in 2015, 29.24%.
A2. Traffic Sources Overview

- 39.16% of the total number of visits (26,761) originated from the homepage of EDP's website. This share was lower than in 2015 (48.5%).
- Of the reference sites of the EDP universe, 19.4% of traffic originated from the commercial companies (EDP Serviço Universal, EDP Comercial and EDP Gás Serviço Universal) and 1% originated from EDP Gás Distribuição.
- About 16% of visits corresponded to direct traffic, in other words inserting the Ombudsman website link directly into the browser's address bar. The number of visits through direct traffic was lower in 2015 (14%).
- It should also be noted that 22% was directed from searches carried out on search engines, that is a significant increase in relation to the values of 2015 (19.7%).

A3. Content Overview

- The most visited page was the "Submit case" page, accounting for 32.34% of total page views, lower than that recorded in 2015 (33.01%). The homepage percentage value was 21.89%. 
A4. Coverage Overview

- Between January and December 2016, the Ombudsman website received 26,761 visits from 65 different countries/territories:
- Naturally, Portugal dominated these website visits, accounting for 25,010 (93.46%). This had also been the case in 2015.
- The remaining 1,751 website visits came from countries or territories such as Spain, France, USA, Brazil, United Kingdom, Switzerland, Germany, Belgium, Angola, among others, which will be associated with the phenomenon of emigration.
- In terms of continents, the Ombudsman website received visits from Africa, North America, South America, Asia, Europe and Oceania, in 2016.
A5. Navigation Overview

- The frequent problems page continues to be widely used by customers. About 6.85% of users visited that page, that is an increase from 2015 (5.79%),
- The success of the frequent problems page is highlighted by the high exit rate (77.8%) of customers who navigate on this page.
- As expected, most of the navigation is directed to the "present case".
B. Filing complaints

1982 complaints were filed during 2016, which corresponds to an average of about 165 complaints per month and 5.42 complaints per day. This is a 21% decrease since 2015.

B1. Per month

- The distribution of complaints varied slightly from 2015 to 2016, since the months registering the highest number of complaints were February and March, while in 2015 they were July and August.

B2. By service type

- Most of the complaints filed (65.6%) concerned Power. 4.6% were related to Gas, which represent a decrease in the complaints filed for gas, in comparison with 2015 (5.1%). Complaints regarding dual customers accounted for 23.4%, representing a significant decrease from 2015 (26.1%). 4.54% were related to other situations.
B3. By type of relationship with EDP

- 94.6% of complainants who filed complaints with the Ombudsman were EDP Customers, meaning that 5.4% of complaints were from non-customers. The complaints from non-EDP customers remained close the 2015 level of complaints (8.3%).

B4. By customer type

- Once again, the Ombudsman is also used by corporate clients, with 8% of complaints coming from this segment. This percentage is more or less the same from the one verified in 2015 (9%).
B5. Statistical distribution by taxonomy

% of Statistical Complaints by Taxonomy

- 2016 confirmed the taxonomic change verified in 2015 by consolidating the percentage of complaints related to the contracting process and the processes of meter reading, billing and payment. These two classes accounted for more than two-thirds of the complaints (70%). Therefore, any strategy for reducing complaints should focus the most on these two classes.

The following chart is displayed for the purpose of a more detailed taxonomic analysis by subclass. This chart shows the prevalence of the following cases:

- Contractual changes and shortage of pre-contractual information account for about 29%, in other words, about one-third of the complaints relate to these two types of problems.
- The other relevant group concerns meter readings and payments, totaling about 22%.

In summary, these mentioned groups account for half of the complaints filed.
B6. By previous query made to EDP services

Complaints preceded by query

- The complaints that aren’t preceded by a query have been increasing in weight, representing 34% of total complaints in 2016, an increase of 5 pp since 2015.

B7. By operational administrative regions of EDP Distribuição

- In terms of the geographical distribution of complaints, the large urban centers of Lisbon and Porto continue to account for the higher proportion of complainants.
- However, comparing 2015 to 2016, there was a significant decrease in complaints per 100,000 inhabitants.
C. Response to complaints

C1. Response time

The Ombudsman's average response time was 10 working days, less than in 2015 (13 working days). This response time is considerably shorter than normal European standards for this type of process, since a normal European group has an average response time longer than 60 days.

![Average Response Time](chart)

C2. Ombudsman Response Type

- It is possible to observe a slight decrease from 2015 to 2016 in the percentage of cases resolved before the ombudsman decision. Nonetheless, and given the very low difference, EDP's concern with avoiding from dragging out of the processes can be noted. Also, the significant increase in the percentage of cases where the decision of the Ombudsman is not aligned with the customer's intention should be referred.
C3. Alignment between the Ombudsman’s decisions and EDP’s previous responses to the Customer

- In 20.4% of the complaints analyzed, the Ombudsman’s decision was fully in line with EDP’s most recent response prior to the decision, which translates into a decrease from the percentage figures of 2015 (28%).
- 31.5% of the complaints submitted to the Ombudsman were analyzed without having any previous response from EDP to the Customer, which is slightly lower than in 2015 (32.1%).
- In 14.6% of complaints, the Ombudsman’s decision totally disagreed with EDP’s previous response to the customer, which is a slight decrease since 2015 (15.4%).
- Lastly, in 33.5% of the cases filed with the Ombudsman, the problem presented by the complainant had already been solved by the time of the decision, which also translates into a slight percentage reduction since 2015 (35%).

The Executive Board of Directors of the EDP Group has never decided differently in terms of the complaints for which the Ombudsman has already issued a decision.
C4. Ombudsman’s Decision: Statistical distribution by taxonomy

Type of Ombudsman Decision according to Taxonomy of Complaints

- In practically all classes, the Ombudsman’s decision was largely in agreement with the complainant’s request. Only Class D (“Works and other interventions”) registered a higher percentage of conflicting decisions than concurring decisions.
- Classes A, E and F present the best percentage results, of the complaints filed with the Ombudsman, knowing that at the time of issuing the decision, EDP had already solved the problem presented by the complainant.

C5. Other Statistics

In addition to these statistical data, the following situations were also recorded:

- 1453 of the 1982 complaints filed corresponded to unique complaints (87%), submitted by different complainants, the remaining 529 complaints were submitted by “repeat” complainants. There is an increase in unique complaints (86.4%), compared to 2015.
- For around 34% of the complaints received and analyzed there was no record of any query made to EDP, although in general customers considered they had already complained, particularly by telephone.

C6. Public Broadcasting Tax

In the first quarter of 2016 in particular, there was a very high flow of complaints resulting from the process of applying legislation on the Public Broadcasting Tax implemented by EDP, which did not coincide with the decision of the Justice Ombudsman or the decision of the Client Ombudsman. Consequently, there was also a high percentage of complaints associated with this matter.

Fortunately, EDP corrected this procedural model throughout 2016, which led to a significant reduction in the number of complaints. At present, the existing difference consists of EDP’s application of extrapolated consumption estimates throughout the year for contracts with a duration shorter than the calendar year. Evidently, the Client Ombudsman maintains the decision that the scope of exemption for application of the Public Broadcasting Tax should not be reduced provided that such reduction is not perceived in the legislation in force. In other words, the Client Ombudsman does not consider that a company in a liberalized context has the legal competence to interpret the intention of the legislator on
matters that respect the rights and duties of customers, and especially when related to reducing their scope of application.

08
Management of EDP customers’ dissatisfaction and expectations

It is possible to construct the customer dissatisfaction roadmap by analyzing the annual data from the complaint management system and the results of various studies and surveys carried out by the DCMK and the Ombudsman, relative to the complaints filed. That roadmap is presented in the figure below:
It is interesting to conclude that:

- Complaints concerning product issues are close to one-third of the complaints related to service issues.
- The complaints management system allows us to regain the satisfaction of 41% of customers.
- The majority of those who remain dissatisfied (about 56% of the complainants) do not turn to the Ombudsman, but those who do are mostly dissatisfied with the service:
  - 0.9% of complainants dissatisfied with the product complain to the Ombudsman
  - 1.8% of complainants dissatisfied with the service complain to the Ombudsman
- Contrary to what has been admitted in some cases, the expectation of the majority of those filing complaints with the Ombudsman is not related to financial compensation, since this is the expectation of only 17% of complaints. The expectations of improvement of the service and product are 68% and 14%, respectively, again indicating, as would be expected, the prevalence of service improvement.
- The percentage of complaints to the Ombudsman where customer satisfaction is recovered is lower for those having financial expectations (64%), due to obvious reasons, and higher for the others:
  - Service: 79%
  - Product: 83%
- It is very important to note that despite major dissatisfaction underlying the filing of the complaint with the Client Ombudsman, in the vast majority of the complaints the Ombudsman was able to regain customer satisfaction: 77%

By comparing the roadmap of the customer dissatisfaction of 2016 with that of 2015, and as represented in the figure below, it is possible to conclude that:

- The percentage of customers who complained for a product increased slightly (+0.11 pp) whereas the percentage of customers who complained for a service decreased by 0.76 pp.
- However, complaints originating due to the product did not change, whereas those regarding the service decreased 7 pp.
- The majority of those who remain dissatisfied (about 54% of the complainants) do not turn to the Ombudsman, but those who do are mainly dissatisfied with the service:
  - 1.4% of complainants dissatisfied with the product complain to the Ombudsman
  - 1.6% of complainants dissatisfied with the service complain to the Ombudsman
- The expectation of the majority of those complaining to the Ombudsman regarding the improvement of the service reduced by 2 pp. Expectations of product improvement remained unchanged while financial expectations increased by 1 pp, maintaining the distribution verified the previous year.
- Regaining customer satisfaction reduced slightly from 2015 to 2016.
Customer assessment of Ombudsman performance

In more detailed terms, it is possible to present the Customer’s assessment in relation to four key perspectives.

A. Accessibility and ease of filing a complaint

- Considering only the Customers for which a concurring decision was issued, 79% are satisfied with having filed the complaint, that is the same level of 2015.
- Considering all decisions, the satisfaction percentage is reduced to 65%, which represents a slight decrease compared to 2015.
B. Ombudsman Response Time

- Considering only the Customers for which a concurring decision was issued, 73% are satisfied with the response time, thus maintaining the high satisfaction verified in 2015.
- The satisfaction with the response time percentage is reduced to 56% when dissatisfied customers are taken into account, which represents a reduction of 4 pp compared to 2015.
C. Resolution of the problem

Resolution of the Problem - Concurring Decisions

Resolution of the Problem - All Decisions

- Considering only the Customers for which a concurring decision was issued, 50% are satisfied with the resolution of the problem, that is 4 pp greater than in 2015.
- The satisfaction percentage is reduced to 29% when conflicting decisions are taken into account, which is identical to 2015.
D. Resolution of the problem

A customer satisfaction recovery assessment model was implemented in 2016, based on the Net Promoter Score (NPS). It replaces the traditional question of whether the customer is satisfied with EDP regarding the decision of the Ombudsman, with two different questions:

- Do you recommend EDP to family and friends?
- Do you advise against EDP to family and friends?

Both of these questions have the following possible answers: "Certainly"; "Maybe" and "No". This permits the following analysis:

Favorable decisions:

<table>
<thead>
<tr>
<th>Favorável</th>
<th>Recomenda EDP</th>
<th>Desaconselha EDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certamente</td>
<td>16%</td>
<td>27%</td>
</tr>
<tr>
<td>Talvez</td>
<td>46%</td>
<td>31%</td>
</tr>
<tr>
<td>Não</td>
<td>38%</td>
<td>42%</td>
</tr>
</tbody>
</table>

Unfavorable decisions:

<table>
<thead>
<tr>
<th>Desfavorável</th>
<th>Recomenda EDP</th>
<th>Desaconselha EDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certamente</td>
<td>0%</td>
<td>59%</td>
</tr>
<tr>
<td>Talvez</td>
<td>24%</td>
<td>30%</td>
</tr>
<tr>
<td>Não</td>
<td>76%</td>
<td>11%</td>
</tr>
</tbody>
</table>

- There is a significant recovery of customer satisfaction among complainant customers following a favorable decision by the Ombudsman, with 62% "certainly" and "maybe" recommending EDP.
- It should also be noted that in terms of the favorable decisions, 42% of customers state they will not advise against EDP.
- Dissatisfaction is naturally higher in unfavorable decisions, nevertheless, 11% of customers categorically state that they shall not advise against EDP and 24% even consider recommending the company.
09
Implementing Website Improvements

Several changes were made throughout 2016 to the EDP Client Ombudsman website, both front office and back office. The aims of these alterations were to introduce improvements in the data requested from the customer in the online form, related to the response time and quality of complaints and in order to get feedback from customers about the site.

Concerning the improvements to the data requested in the online form, small modifications were implemented with the purpose of facilitating filling out the form and subsequent processing of complaints. The emphasis given to the "Frequent Problems" page on the complaint form is to be highlighted:

The CPE field was simplified in order to minimize errors and facilitate data entry:
Several developments were also made at back office level, including the creation of a response time analysis table for each complaint:

<table>
<thead>
<tr>
<th>Tabela de datas de queixas</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Data reclamação</td>
</tr>
<tr>
<td>Segundo cliente</td>
</tr>
<tr>
<td>02-10-2016</td>
</tr>
</tbody>
</table>

* Legenda (tempos em dias úteis)
TRP = Tempo Resposta Provedor = Data parecer do provedor - Data queixa ao provedor
DRR = Duração resolução reclamação (segundo cliente) = Data fecho EDP - Data reclamação segundo cliente
DRR* = Duração resolução reclamação (segundo EDP) = Data fecho EDP - Data reclamação segundo EDP (ou Data queixa ao provedor)
DAP = Data parecer do provedor = Data fecho EDP - Data parecer do provedor
AP = Aceleração do Parecer

Also, in relation to the processing of complaints, the project to review and update the Expert System was initiated. The Expert System was designed and implemented in 2010, so it was considered an opportunity to survey the results achieved and to carry out an extensive analysis of the vulnerabilities and improvement opportunities. A new project was started for this matter - Expert System 2.0

This project aims not only to take stock of the system but also to update it according to the inputs collected after years of use. It is expected that this project will be able to maximize the Expert System and therefore 1) reduce the response times and 2) ensure the consistency of the decisions given. The expectation is that this project will be finalized during 2017

Finally, the change in the method of assessment of the Ombudsman by the complaining customers is to be noted. The method followed was changed to the Net Promoter Score (NPS). The customer is asked, after the Ombudsman’s intervention, whether they recommend EDP (Certainly, Maybe or No) and whether they advise against EDP (Certainly, Maybe or No). This new system provides better perception of the recovery of customer satisfaction.
Strategic Proposals

The strategic guidelines that have been discussed with the EDP Group are presented below:

1. **UNIQUE OPPORTUNITY to RETHINK CUSTOMER MANAGEMENT**

   The notable improvements in the services provided, in particular by EDP COMERCIAL and EDP DISTRIBUIÇÃO throughout 2016, caused a significant reduction in the flow of complaints, creating an excellent opportunity to rethink the customer management model with new ambition, new objectives and new solutions.

   To do so, it is essential to understand the great changes in progress and the digital potential.

2. **MAJOR CHANGES! THE VALUE OF TIME**

   At a round table discussion on the Digital Economy associated with the WEBSUMMIT, at which the usual ideas were mentioned, the president of EDP was asked about what has changed the most. His answer was: the speed of events and the value of time.

   The data showing that the reduction in the Ombudsman response time from 12 to 10 resulted in a 19 pp increase in satisfaction, confirming this reflection.

   Essentially, EDP has to be fast because Customer time is now much more valuable than when the Ombudsman started working in 2009!

   It is believed that speed is what allows a significant percentage of angry customers to be recovered despite the very low annual global compensation value that the Ombudsman proposes to award to customers (less than 3,000 euros per year!).

3. **MAJOR CHANGES: THE VALUE OF SIMPLICITY**

   Over the past 6 years, it is possible to witness the high levels of competence and dedication of all fellow employees related to the management of EDP group Customers, despite the level of complexity not diminishing but perhaps increasing, since any customer management process moves through a complex path of successive phases and involves numerous specialists, services and teams. This complexity of EDP is further increased by regulatory complexity.

   This high complexity gives rise to undesirable effects such as:

   a) **Uncertainty** about solutions that have been effectively computerized. **For example:** full clarification of the rules implemented for charging the Public Broadcasting Tax in 2015 was very difficult and had never been passed on to customers.

   b) **Addition of complications** without good reason which, in general, arise spontaneously with the argument of "while we are on the subject, it also has to be asked...", in intermediate meetings with an anonymous author. **For example:** from time to time EDP asks corporate customers for their "commercial registry office certificate" in order to terminate the contract, whereas that certificate is not required for contracting with the utility!
c) **Zig-zag in the implementation of urgent improvements** that, by virtue of the many intervening persons, become inexplicably delayed. **For example:** In 2010, the adoption of the electronic disconnection notice and dunning notice was considered to be very important to add value to e-invoice digital customers and, in particular, out of respect for the hundreds of thousands of clients who have emigrated or do not live at that energy delivery point and who, when they arrive, have no energy and find the paper warning notice in the mailbox! However, it was only implemented now, in February 2017.

In short, the paradigm of a learning organization does materialize, but often in slow motion.

4. **MAJOR CHANGES: THE IMPORTANCE OF SOCIAL NETWORKS**

About 5 million Portuguese already use Facebook. This fact has already allowed authors of short videos to appear, which reached a record of 9 million views.

However, it is also important to take into account the risks associated with viral events based on an event that goes wrong for a known company. It is therefore recommended that, in addition to decisions interpreting legislation and seeking to justify the solutions adopted, the possible generation of viral cases that will be very negative for EDP should be tested.

5. **MAJOR CHANGES! THE VALUE OF DIGITAL**

The Portuguese consumer has surprised all the consultants who estimate their abilities of adaptation to change and embracing digital based on economic and education levels. We just have to mention some examples that come from the past:

Embracing the postal zip code in 20% of the time required, in the United Kingdom; The non-use of plastic bags in supermarkets at a rate many times higher than expected (the tax collected did not reach 10% of the expected value); Access to the Ombudsman only via web, not provoking protests for not allowing the paper path since the distant year of 2009.

According to European Community data, Portuguese consumers increased their adhesion to digitalization in 2015 and the ANACOM (Portuguese Telecom Regulator) data (Jan. 2017) are significant:

- Fixed-line internet has 3.32 million users, and mobile internet already has 6.14 million users and its growth rate between the 2nd and 3rd quarter of 2016 has accelerated from the quarterly average of 3% to 8.2%, which forecasts for 2017 at over 7 million users.

- Given that the number of EDP Comercial customers is close to 2.9 million, the least favorable distribution in terms of home penetration would be to "divide" the 6 million mobile accesses (85% of 7 million due to EDP Comercial’s market share) by all members of the home, which on average has a dimension of 2.5 (Pordata 2015) obtaining 2.4 million customers. This means that only 500 thousand customers would be more difficult to reach in this most pessimistic scenario.

- However, if it is considered that the most difficult target group is that of the solitary aged person, with a percentage in EDP Comercial of less than 10%, 290 thousand customers are more difficult to reach. In summary, even in the most unfavorable scenarios, the targets that could be reached by the digital route would oscillate from 83% to 90%, which will of course be higher in the future.

It should also be noted that this enthusiasm for the mobile net, with a level of user satisfaction superior to that of fixed-line net, contrary to what is more usual, opens the field to EDP to improve its EDP app to allow all relations between Customer and Company to be managed, namely the filing of complaints.

The experience of the Ombudsman’s digital portal has also allowed us to understand another factor of its success: the help micro-networks (grandchildren, neighbors, friend in the village coffee shop, etc.) that broaden the network of digitalized consumers.
6. MORE AMBITION for EDP: THE BEST POWER / GAS UTILITY for the DIGITAL MANAGEMENT of CUSTOMERS!

The examples to be followed: be the best POWER / GAS UTILITY for the digital management of customers!

To achieve this, it will have to:

1) Design the intended GOAL MODEL
2) Diagnose major obstacles and limitations
3) Establish the ROAD MAP
4) Elaborate the program of change management including the dimensions of business, innovation in products, processes and channels, information and communication technology in Digital Law.
5) These changes should include redesigning the interactions with edponline in order to also facilitate the management of complaints by this channel
6) Monitor and evaluate the results obtained to guarantee the intended success

It will be essential to gain ambition, in order to pursue this course in favor of SMART-EDP, as well as understand that the main competitive advantage to which customers are sensitive is the ease of online interaction and the inclination by EDP for simplification and problem solving.
11
Glossary

VISITS
Number of individual sessions initiated by all visitors to the website

VISITORS
The total unique visitors who visit the website in a certain period of time

PAGE VIEWS
Number of times a particular page was viewed.

LANDING PAGE
First page displayed during a visit.

BOUNCE RATE
The number of visits that left the site after displaying the landing page.

DIRECT TRAFFIC
Visit by direct link (type in the address in the browser or via favorites).

REFERRAL TRAFFIC
Visit through another website that has a link to this site.

ORGANIC TRAFFIC
Organic (unpaid) searches done on search engines (e.g. Google, Sapo, etc.).
Chapter I
General Provisions

Article 1
Role

The main role of the Client Ombudsman of the EDP Group companies is to defend and promote the rights and guarantees of Customers of the EDP Group companies, in the exercise of its activities.

Article 2
Principles of action

The activity of the Client Ombudsman is governed by principles of independence and equity, promoting dialogue between the EDP Group companies and its Customers, helping to ensure that relations between the parties are based on good faith and reciprocal trust.

Chapter II
Scope of Application

Article 3
Subjective scope

The Client Ombudsman has the authority to assess all matters presented to it by any individual or company legally entitled to do so, provided that they respect the exercise of the activity of the EDP Group companies and their relationship with their Customers.

Article 4
Objective scope

The Client Ombudsman issues a decision on all matters addressed to them, as long as they relate to the provision of services and the supply of energy by the EDP Group companies to their Customers, namely with respect to the fulfillment of the supply contracts, consumption estimates, billing and claims for damages resulting directly from the service provided.
Chapter III  
Status and duties of the Client Ombudsman

Article 5  
Appointment and term of office

1. The Client Ombudsman is appointed by the Executive Board of Directors of EDP. The person chosen must be a person of recognized standing, good repute, excellent professional reputation, having integrity and being independent.
2. The Client Ombudsman holds the post for a period of 3 (three) years, and the term of office may be renewed twice, for equal periods.
3. On termination of the mandate, the Client Ombudsman shall remain in office until the successor is appointed.
4. The contractual relationship between EDP and the Client Ombudsman is not labor-related.

Article 6  
Termination of office

Termination of the Client Ombudsman's office may occur in the following situations:
   a) Term of mandate;
   b) Resignation submitted to the Executive Board of Directors of EDP;
   c) Supervening incapacity;
   d) Decision of the Executive Board of Directors of EDP, in case of confirmed negligent performance by the Client Ombudsman in the exercise of the duties assigned the office.

Article 7  
Incompatibilities

On appointment and in the performance of the role, the Client Ombudsman may not:
   a) Perform any management, administration, advisory or consulting role in any of the companies competing with EDP Group companies or in companies that are in a controlling or group relationship with companies competing with EDP Group companies;
   b) Be contractually tied in any way to other entities, namely customers, competitors, suppliers or service contractors of EDP Group companies, provided that such link may give rise to a conflict of interest.

Article 8  
Impediments

The Client Ombudsman may not analyze or make decisions on matters in which he is a party, by himself or as a representative of another person, or when he has any personal interest in such matters.
**Article 9**  
**Duties**

The duties of the Client Ombudsman are to:

a) Receive and analyze the complaints filed by the Customers, directly related to acts or omissions of the EDP Group companies.

b) Establish dialogue with the complaining Customer.

c) Mediate any disputes and conflicts between the Customers and the EDP Group companies.

d) Issue decisions on matters related to the activity of the EDP Group companies, when such is requested by any of those companies’ governing bodies.

e) Propose the adoption of measures that contribute to the improvement of the service quality and customer satisfaction indexes.

f) Make contacts with external partners in order to obtain information and expertise to support the recommendations made to EDP Group companies in order to adopt measures enhancing their relationships with their Customers.

**Article 10**  
**Actions**

1. The Client Ombudsman, in the exercise of its office, may take the following action in particular:
   
a) Conduct and promote contacts with EDP Group companies, requesting the information and documents it deems appropriate;

b) Make recommendations for the correction of discriminatory, illegal or irregular practices that violate the rights and guarantees of the Customers of the EDP Group companies or that affect the quality or efficiency of the supply or service such companies provide.

2. The direct liaisons of the Client Ombudsman are the persons that EDP may indicate for this purpose.

3. The Client Ombudsman may establish, without prejudice to the provisions of the preceding paragraph, and provided it first informs the liaison indicated by EDP, direct contacts with the EDP Group companies it deems necessary for the provision of the necessary explanations on the matter under analysis.

**Chapter IV**  
**Procedure**

**Article 11**  
**Organization**

The Client Ombudsman has its own organizational structure, called the Office of the Client Ombudsman, for the performance of its office. The personnel working in that office will be defined by the Executive Board of Directors of EDP, on proposal of the Client Ombudsman.

**Article 12**  
**Filing of complaints**

1. The Client Ombudsman's intervention only occurs after the Customer has obtained an unfavorable response, issued by the competent services of the EDP Group companies, to the claim it has submitted.
2. Under the provisions of the previous paragraph, the Client Ombudsman must forward to the competent departments of the EDP Group companies all complaints not yet submitted directly to those services.

3. The Client Ombudsman is also responsible for analyzing complaints that, made directly to the competent services of the EDP Group companies, are not answered by those services within a maximum period of 1 (one) month from the respective receipt.

Article 13
Format, deadline and requirements for filing complaints

1. The complaint must be addressed in writing to the Client Ombudsman and must include the complete identification and residence of the complaining Customer, as well as a description of the grounds on which it is based. It must be accompanied by all relevant documentation for its analysis.

2. The complaint may also be filed by any entity with powers of representation of the Customer provided that in the written communication to be filed, in addition to the documentation mentioned in number 1 of this article, a proof of the legitimacy of the entity in question to represent the Customer is also annexed.

3. The complaints filed must be sequentially numbered according to their date of entry.

4. The complaint must be filed in a maximum period of 6 (six) months from the date of receipt of an unfavorable decision from EDP or from the expiry of the period referred to in number 3 of the previous article.

Article 14
Preliminary assessment

1. Complaints undergo a preliminary assessment by the Client Ombudsman or any of the personnel of the Office, and those that are filed in bad faith are immediately rejected.

2. The Client Ombudsman may request from the Customer clarification and/or additional documentation regarding the facts described or the reasons given.

Article 15
Procedure

The following principles should be observed for the procedure:

a) Speed - the Client Ombudsman has 20 (twenty) business days, counting from the date of receipt of the complaint, to present the proposed recommendation to EDP;

b) Cooperation - as part of the steps to be taken by the Client Ombudsman to establish the facts, the liaison appointed by EDP will provide all necessary support for the complete clarification of the situation, namely providing the information and handing over the documentation requested. It shall also ensure the necessary contacts with the EDP Group companies to obtain the data leading to the resolution of the issues in question.
Article 16
Shelving

The following complaints are shelved:
   a) Those that do not fall under the duties of the Client Ombudsman
   b) Those missing essential data and which do not allow a recommendation to be formulated;
   c) Those concerning issues that have been resolved in the meantime.

Article 17
Recommendations

1. On completion of the procedure, the Client Ombudsman formulates a recommendation and communicates it to EDP.
2. EDP, in an average period of 10 (ten) days, informs the Client Ombudsman of its position regarding the proposed recommendation and, in case of disagreement, gives the reasons for its decision.
3. The Client Ombudsman's recommendations accepted by EDP are considered binding.

Article 18
Response to the Customer

The response to the Customer must be sent by the Office of the Client Ombudsman within a maximum of 5 (five) days from the date of receipt of EDP’s decision regarding the recommendation made.

Article 19
Appeal to the courts

The complainant's use of the out-of-court procedure described in these Regulations does not deprive it of the right to appeal to the courts with jurisdiction to settle the litigation.

Chapter V
Rights, Duties and Obligations

Article 20
EDP's obligations

In order to enable the activities of the Client Ombudsman, EDP undertakes to:
   a) Assign an annual budget allocation to the Client Ombudsman;
   b) Provide the Client Ombudsman with the means and conditions that allow it to obtain the necessary information and documentation.

Article 21
Ombudsman's Duties

1. The Client Ombudsman must submit to the EDP Group companies all recommendations and proposals that it considers useful to protect the rights and guarantees of Customers and that contribute to the improvement of relations of the EDP Group companies with their Customers.
2. The Client Ombudsman shall keep confidential all the facts it becomes aware of in the performance of its duties, to the extent imposed by the nature of the same.

**Article 22**
**Provision of Information**

1. On a quarterly basis, the Client Ombudsman presents to EDP’s designated liaison a summary of the activities carried out the previous quarter, as well as the proposals deemed adequate to improve the performance of its duties.
2. The Client Ombudsman annually submits to the Executive Board of Directors of EDP an annual report on its activities, which allows for an evaluation of the results obtained and an identification of the nature of the disputes submitted to it. This report is intended to be subsequently published.

**Chapter VI**
**Closing Provisions**

**Article 23**
**Entry in force**

These Regulations shall enter into force on the business day following its approval by the Executive Board of Directors of EDP.

**Article 24**
**Publication**

EDP will publish these Regulations on its Internet page (www.edp.pt) and the respective Intranet information of its Customers and employees.
Acknowledgments

The high performance levels achieved with scant human resources were only possible thanks to the excellent cooperation between the Ombudsman and all EDP bodies, in particular with Miguel Stilwell De Andrade, Ferrari Careto and Allen Vasconcelos.

The team that worked with the Ombudsman and deserving praise included João Branco, Maria Inês Marques and was supported by Gracinda Carlos.