

Draft GGP on retail market design: Overview of responses on chapter 4, billing

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CEER hearing on draft GGP on Retail market design,
with a focus on supplier switching and billing

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Chapter 4, Billing – Overview of draft recommendations

11	Combined billing, to be provided by the supplier, should be mandatory.
12	The final bill should be sent out by the old supplier within less than six weeks after having received the necessary data from the DSO.
13	When advance payment is used, the customer should be clearly informed about the methodology used to calculate the advance payment.
14	The customer should be offered different payment methods, including payment methods which can be easily accessible to vulnerable customers.
15	The customer should always have a choice in the billing frequency
16	The supplier should always be the first point of contact for issues regarding the bill.
17	Information on making an enquiry or launching a complaint specifically about the content of the bill should be clearly displayed on the bill.

Average results:

- 57 respondents total
- 79% of respondents agree
- 11% of respondents disagree

Draft Recommendation 11: Mandatory combined billing by supplier

„Combined billing, to be provided by the supplier, should be mandatory.“

- 45 respondents agree, 10 respondents disagree
- The majority of models applied across EU are mandatory or voluntary provided by the supplier
- One single bill issued by the supplier is likely to facilitate customers active participation in the market
- Single invoice covering both network and commodity costs is more cost efficient than having two bills in a single envelope
- Combined billing requires legal regulations and clear and standardized settlement rules: Important to have a national regulatory framework that allows to adequately address financial risks (e.g. non-payment) between suppliers and DSO
- The DSO should compensate the supplier for the costs imposed by combined billing by the supplier
- It is important that the issuer is able to answer questions regarding the bill: the DSO is the right stakeholder to answer questions regarding questions about the network part of the invoice
- Combined billing should only be possible if the DSO finds that it serves the customer and the DSO

Draft Recommendation 12:

Final bill in less than six weeks

„The final bill should be sent out by the old supplier within less than six weeks after having received the necessary data from the DSO.“

- less than one week: 1, less than two weeks: 6, less than three weeks: 12, other: 34
- Improvement of electronic interchange is likely to technically facilitate the fastening of the billing process
- A shorter period will only be possible if the supplier gets necessary data in time as suppliers depend for their billing both on other market parties (e.g. DSO, metering operator) and on administrative and technical processes (e.g. manual meter reading, validation, control, etc.)
- Regulators should take a proactive approach to clearly state the starting date and set a maximum period
- New technology i.e. smart metering can help to increase the speed of billing
- The time limit of six weeks from the 3rd energy package should be respected.
- No need for a recommendation regarding the final bill: does not represent a barrier to switching, would not contribute to improving market functioning

Draft Recommendation 13: Advanced payment information

„When advance payment is used, the customer should be clearly informed about the methodology used to calculate the advance payment.“

- 51 respondents agree, 1 respondent disagree
- Methodology used to calculate the advanced payment should be transparent and customer should be informed properly
- Information should be communicated clearly in a way that customers can understand, not precise in a legal or technical style, and not over complicated
- Include the components for advance payments (e.g. historical consumption, standard consumption, price indexation)
- Information should be clearly indicated in the general terms and conditions that are sent to each new customer
- Information should not necessarily be included in the bill as its complexity might lead to a less easy readable bill
- Examples & Defaults:
 - based on the estimated consumption over 12 months,
 - offer customers the possibility to opt for equally spread payment schemes with annual reconciliation bills,
 - offer moderate alteration of the advance payments

Draft Recommendation 14: Offer different payment methods

„The customer should be offered different payment methods, including payment methods which can be easily accessible to vulnerable customers.“

- 46 respondents agree, 5 respondents disagree
- Different payment methods for the customer should be available and at least one of them has to be free of charge
- Payment methods are a valuable tool for suppliers to meet customers needs and preferences: no agreeance that this recommendation is irrespective of the customers type of contract or payment
- In payment methods the regulation should be restricted to a minimum
- Different payment methods have different costs - reflect the costs of the different payment systems
- All payment methods should be priced the same and the consumer also should not be manipulated by suppliers
- There should be no mandatory rules to provide a certain payment method.
- More than two methods of payment are not possible in a nationwide supply
- Payment methods which are easily accessible to vulnerable customers is a matter for member states / social policy

Draft Recommendation 15: Choice in billing frequency

„The customer should always have a choice in the billing frequency.“

- 36 respondents agree, 14 respondents disagree
- Consumers should be provided with bills reflecting real consumption regularly enough, such as on a monthly basis
- Limit regulation to minimum – be reasonable!
 - because the billing frequency is an important mean for suppliers to differentiate their commercial offers and to compete against each other
 - because of the actual system of annual meter reading annual invoicing is reasonable
 - Because it is not realistic for the customer to expect a limitless range of options
- Extra cost resulting from different frequency of billing should be on the customer - very flexible obligative billing frequency would require all suppliers to develop flexible and expensive billing systems
- The additional cost associated to higher meter reading frequency should be paid to the DSO or Meter Operator
- The frequency for billing should not be chosen unilaterally by customers (weak payers)
- More frequent billing can be an option given the deployment of smart metering, but with smart meters the information on actual consumption could be provided on a frequent basis through other means than the bill (e.g. internet, mobile solution or in-house display).

Draft Recommendation 16: Supplier first contact for bill

„The supplier should always be the first point of contact for issues regarding the bill.“

- 42 respondents agree, 9 respondents disagree
- In a supplier-centric model the supplier should be the first point of contact
- Supplier is likely to have the information required to resolve the majority of customer issues
- Supplier should be the first point of contact only for energy related issues
- Suppliers should be able to forward questions regarding network specific questions, such as tariff changes or technical issues concerning measurement, to DSO
- The first point of contact depends on the billing process. The party that renders the account shall be the first point of contact.
- Customer shall be in contact with both the DSO and the supplier

Draft Recommendation 17: Information about complaint on bill

„**Information on making an enquiry or launching a complaint specifically about the content of the bill should be clearly displayed on the bill.**“

- 50 respondents agree, 3 respondents disagree
- Contact details of the supplier to make an enquiry or launching a complaint should be displayed on the bill in a clear and concise way
- It is not necessary to place a number specifically for complaints about the content of the bill.
- Display on the top of the customer´s bill those that consumers can directly contact, e.g. postal address, telephone number, email and office hours -
- Layout and additional specific contents has to stay the suppliers responsibility. Any limitation would also restrict the supplier in its product development.
- Additional information:
 - Enquiries/complaints within the responsibility of DSO must be possible and therefore the contact information of the DSO should be placed on the bill.
 - Promote the single point of contact for independent advice
 - Promote the independent ombudsman service
- Sufficient that information on how to launch a complaint can be found in the terms and conditions

„This is not a newspaper, this is our electricity bill“





Please feel free to ask questions!

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