



Commission for Energy Regulation

An Coimisiún um Rialáil Fuinnimh

Code of Practice for Customer Billing Guidelines for Gas Suppliers

Consultation Paper

CER/06/126

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Code of Practice for Customer Billing – Proposed Guidelines for Gas Suppliers

1. Introduction

The Commission has begun implementing a series of consumer protection measures to ensure that customers receive a minimum level of service from their supplier. Introducing a Code of Practice for Customer Billing is part of these measures and is aimed at ensuring a minimum level of information and service in relation to billing for all customers. Although the Commission previously issued guidelines with respect to billing (CER/05/191) the Commission believes it is now necessary to revise these guidelines.

1.1 Background:

Following a number of approaches and complaints from customers regarding the billing practices of their suppliers, the Commission issued a consultation on guidelines for electricity suppliers in relation to a Code of Practice for Customer Billing (CER/06/069). The Commission believes that both electricity and gas customers should be subject to the same measures of customer protection when it comes to billing and now believes it is appropriate to consult on this issue for gas customers. The Commission believes that by making the same requirement of both gas and electricity suppliers it is maintaining consistency in consumer protection measures across both industries.

As this paper contains the same guidelines as those proposed for electricity any comments previously received will be taken into account when making a final decision. Respondents need not resubmit their comments unless they have additional comments to make.

1.2 Legislative Basis:

With the adoption of the EU Electricity Directive (2003/55/EC) and its transposition into Irish legislation via SI 452 of 2004, certain requirements have been placed on suppliers with respect to consumer protection. The Commission in its function of protecting the interests of final customers is of the view that it is necessary for suppliers to develop a Code of Practice for Customer Billing to support these requirements. This paper is the first step to developing the requirements for this Code.

1.3 Consultation

Interested parties are invited to comment on the issues raised in this paper by close of business on Wednesday 19th July 2006. The Commission regrets that it cannot undertake to provide individual responses to submissions on this paper. Responses may be published in full on the Commission's website; therefore respondents should include any confidential information in a separate annex. Respondents who have already commented with respect to the

electricity consultation paper (CER/06/069) need not comment again unless they have additional comments to make.

Submissions on this paper should be forwarded to:

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1.4 Next Steps:

Following this consultation process the Commission will issue final guidelines for both gas and electricity suppliers in July 2006. Gas and electricity suppliers will then be required to develop or amend their Code of Practice for Customer Billing and submit this to the Commission for approval. It is expected that suppliers should be in a position to implement this code immediately.

2. Guidelines

A Supplier's Code of Practice for Customer Billing should indicate clearly a commitment to the following as a minimum level of service to their customers:

1. That all bills will be accurately calculated using the most up to date information supplied by the Bord Gáis Networks (BGN), the customer or using a Commission approved method of estimation. That estimation will only be used in the absence of an actual read from BGN. That where estimation is used the bill will indicate this is an estimate.
2. That they will receive a bill regularly, this may be a monthly or bi-monthly bill or as agreed with the customer in their contract.
3. That all bills will be issued no later than one month after the last day of the corresponding consumption period and will include the customer's latest meter reading information.
4. That where a supplier gives the option of electronic billing the customer will receive one bill in paper format annually. This may be an annual statement or a paper bill for one billing period.
5. That the customer will be invoiced in the supplier's format which has been approved by the Commission.
6. That the bill will contain a list of minimum data as detailed in the Commission's paper CER/05/189. See Appendix 1.
7. That the payment options available to the customer will be stated on their bill. Suppliers must provide a choice of payments methods which must include each of the following categories:
 - Electronic transfer (e.g. Direct debt)
 - Postal (e.g. cheque)
 - Over the counter (e.g. pay point, post office etc).
8. That they will notify customers of the tariff options available to them in advance of any tariff change or annually, whichever is the shortest period of time.
9. That, where a customer has repeated estimation and no actual read, the supplier will follow up customers that have long term estimation or a history of no access to their premises for meter reading purposes. This will include writing to the customer and offering a method for the customer to submit a read.
10. That customers will be facilitated with making payment arrangements in the event that a large bill based on an actual meter read is received due

to estimation leading to understated consumption. This may include the option of offering the customer a payment plan if appropriate.

11. That all billing complaints will be resolved through the supplier's complaints procedure approved by the Commission and the timeframes within the complaints procedure will be adhered to.
12. That where the customer has entered into a direct debit arrangement, a supplier will only debit the invoiced amount from the customer's account or an amount agreed with the customer. Where a supplier has a requirement to direct debit a customer's account for an amount which differs to that stated on the invoice, notice will be given to the customer at least two weeks in advance of such a transaction.
13. That if prorating of tariffs is applied at the time of a change in tariffs this will be clearly indicated on the bill and the method of calculation will be explained on the bill or in an accompanying insert.
14. That a predefined level of compensation will be awarded to customers who do not receive the level of service set out in the code of practice.
15. The billing code will contain a glossary of the terms used on the bill. See Appendix 1 for required information.
16. That where a customer closes an account a final invoice will be issued no later than four weeks after the date of closure.

3. Additional Information

In addition to comments on the proposed guidelines, the Commission invites comments on the following aspects of customer billing:

Period of bill:

The industry standard for billing period is either monthly or bimonthly bills. However customers may feel they would like their bill to be calculated over a different duration. The Commission invites comments from interested parties on the current billing period and if there should be additional options available to customers.

Payment Options:

With the development of new technology the Commission wishes to explore additional payment options that should be considered by suppliers in the future. The Commission invites comment on payment options and new technology which may be available to facilitate customer payments.

Customer readings:

The Commission has received a number of complaints regarding the use of estimated readings for calculating bills. As such the Commission is conscious that customers must be able to communicate customer readings in an easy accessible manner. At this time customers may use a dial a read methods for submission. The Commission invites comments on what additional methods for submitting customer reads should be made available to assist customers.

Information on the bill:

The Commission has issued a list of information which must be contained on an electricity bill (See Appendix 1). However there may be information that suppliers or customers see as being important also. The Commission invites suggestions on the type of information which should be included on the bill in the future.

The Commission will review any additional suggestions received and amend the guidelines as appropriate. Suggestions which are not included in the guidelines will also be forwarded to suppliers to allow them the opportunity to consider implementation.

4. Reporting

Suppliers will be required to submit a copy of the format of their bill, annually or prior to making significant changes, for the approval of the Commission. Suppliers will also be asked to submit a report in a format approved by the Commission, on the number of billing complaints they receive, including the key reasons for billing complaints and their plan for rectification of system failures.

This report should include as a minimum:

- A description of the complaints received
- The number of complaints by category
- The length of time taken to resolve them
- The number of complaints which exceeded the timeframe set out in the complaints handling procedure
- The number of outstanding complaints
- Systems issues identified and solutions put in place
- The levels of compensation paid to customers.

Appendix 1: Data to be contained on gas bill

The following information is required on suppliers' electricity bills. This list is contained in the Commission's Decision paper Guidelines for Developing Consumer Codes of Practice in the Gas Market (CER/05/189).

3.1.2 Front of the Bill

The following information must be placed on the **front** page of the bill in a manner that allows the customer to find it easily¹

- Gas Point Registration Number – Clearly marked GPRN or where appropriate the Supply Point Registration Number – Clearly marked SPRN.
- Usage Band

3.1.3. Other information required on the bill

- Bord Gáis Networks emergency/fault reporting contact number. This must be clearly written and easily found on the bill. This may be done by separating the number using a box or through highlighting or bolding the text
- Customer account number
- Customer name and address (billing address and supply address where different)
- Period to which the bill relates, the date of issue and the date when the bill is due
- Customer's Tariff category (where a standard tariff is used)
- Meter readings, upon which the bill is based, including an indication whether the readings are an actual reading, an estimate, or a reading submitted by a customer. Standard indications should be used: A = Actual read E = Estimated Read C = Customer Read. An explanation of these terms should appear at least annually on the customers bill;
- Clear calculations of the amount due for gas supplied, (giving units, multipliers, rates etc. where appropriate), including items such as any rebates or penalties, conversion factor from units to kWh, free gas allowance and any other amounts being invoiced being clearly indicated separately (e.g. relating to the purchase of a gas appliance), Vat etc.
- Total amount due for the supply of gas in that period;

¹ Should it become apparent to the Commission that this information needs to be displayed on the front of the bill in an exact standard layout, such as that in electricity market, suppliers may in the future be required to do this.

- A brief description of the supplier's complaints handling procedure and related contact details with a reference to the customer's right to refer an unresolved dispute to the Commission for resolution with the Commission's contact information.
- List of payment options.
- Suppliers name and contact details (Post/Phone/Fax/e-mail/web-site).
- NDM Customers bills should contain the Bord Gais Networks Dial – A – Read number for customers to call in their own meter read.
- Bord Gais Networks Distribution Operations Call Centre number, where a supplier does not propose to act on a customer's behalf for network related issues.