



CONSULTATION ON THE CER REVIEW OF THE ELECTRICITY AND
GAS SUPPLIERS HANDBOOK

SSE AIRTRICITY RESPONSE TO
THE COMMISSION FOR ENERGY REGULATION

2016

INTRODUCTION

SSE Airtricity welcomes the opportunity to comment on the CER's paper on the Review of the Electricity and Gas Supplier Handbook.

SSE Airtricity is the largest independent supplier operating in Ireland with almost 800,000 domestic and commercial customers in the Island of Ireland. SSE Airtricity is committed to the development of competition in energy markets in Ireland and to presenting its customers with choice and quality customer services. The energy market in Ireland has evolved greatly over the past five years and this is an ideal opportunity to review all regulatory requirements. In this respect SSE Airtricity is fully committed to assessing our obligations and believes that any changes to the current framework need to be effective, proportional, necessary and consistent. In addition we believe the review needs to ensure the development of competition, protect customers, adopt a holistic approach and take into account future pending regulatory projects. Finally we would suggest that the CER appropriately considers the current issues in relation to competition and non-engaging customers and introduces requirements that provide value for money for all customer groups.

GENERAL COMMENTS

SSE Airtricity welcomes the opportunity to comment on the CER's paper on the Review of the Electricity and Gas Supplier Handbook. Given the significant change that has occurred in the market since the publication of the original Handbook, we believe that this is a good opportunity to review it. The review should ensure that the requirements reflect both changes in legislation, market design and evolution in energy offerings in addition to any pending market projects. We have identified some of our key points in relation to this review below.

Key Points

The CER needs to carefully consider how it would implement the proposed requirements for different types of supplier's representatives. SSE Airtricity requests clarification is added to the handbook with respect to this proposed requirement where there are non-exclusive contracts in place, for example property channels and bonkers/switcher. SSE Airtricity suggests that this proposal could not apply where there is a non-exclusive relationship in place as no one party could influence the party selling to customers. In addition, clarity is required with respect to compliance of supplier representatives in unregulated areas like other energy services. We would suggest that suppliers must ensure that their representatives (where exclusive arrangements are in place) adhere to the requirements of the Handbook only where the interaction is related to the supply of electricity/gas. SSE Airtricity also suggests that CER needs to consider its legal role in this regard. In the event that the CER believes regulation is required with respect to non-exclusive agents, SSE Airtricity believes that the CER should propose a framework for those type of agents similar to that in place for ICS providers in recognition that a supplier cannot influence the behaviour of a non-exclusive agent nor can a supplier take sole responsibility for the action of a non-exclusive agent.

We are concerned that the CER has failed to set out requirements to address all the issues previously raised by suppliers in relation to the lifestyle PAYG market. We were of the understanding that the consultation was to set out proposals to address all the issues with lifestyle PAYG such as the installation/removal of the PAYG device, cancellation processes and overall customer experience of the processes. In this respect it is disappointing that the review does not provide any suggestions as to how the CER proposes to address the issues that have been discussed with

suppliers at various PAYG and Switching workshops. This area has seen significant issues raised on behalf of customers who have had very poor experiences in trying to access competitive markets. We seek clear guidance and standards with respect to this area of the market.

The proposed changes to ‘improve customer participation’ will not address customer disengagement in the market.

SSE Airtricity estimates that the size of the competitive market is up to 60% lower than the reported size of the domestic electricity market¹ and as many as 50% of all domestic customers for both electricity and gas have yet to switch away from the incumbent suppliers and therefore have not engaged in the market. Therefore the CER should first address issues where customers have never switched in the market before requiring non incumbent suppliers, who have invested significantly in trying to switch customers, to encourage their customers to switch again.

Any changes to the Handbook should be proportionate and necessary. SSE Airtricity believes that some of the proposals in this area will not increase participation because they will have a disproportionate impact on non-incumbents in the market who have more active customers and will not increase participation of the customers who have never switched or engaged with the market. What is required is a targeted solution that will ensure that those who have never switched are aware of the option and benefits of switching (e.g. targeted notifications to just non-switchers).

Many of the proposals are not relevant or appropriate for the non-domestic sector. The powers under which the Supplier Handbook was developed were set out in SI 60 of 2005. Those powers were clear with respect to household customers and made provision, if considered appropriate, to extend to small enterprises. There is no provision for these powers to be extended to all non-domestic customers, therefore SSE Airtricity does not believe the CER should try to apply measures developed for household customers to non-domestic customers.

This includes items such as the Principles, Annual prompt, Customers’ ability to pay, Deposits, Energy and non-energy related charges. It is concerning that suppliers are being asked to consider all proposals for the non-domestic area when activity differs greatly in this market. The suggestion that these

¹ SSE Airtricity estimate based on assumption that the competitive market represents customers that switch to get a better offer. Changes of tenancy and debt flagged customers have been excluded.

proposals could be fully applied to the non-domestic area creates great uncertainty and confusion for suppliers and customers. We suggest the Non-Domestic Codes of Practice should be consulted on fully on their own merit as they differ from the domestic codes of practice. For example many of the proposals in this consultation relate to consumer protection provisions that may not have the same applicability for commercial industry.

We consider that the Handbook should provide guidelines in the area of Energy Theft and Revenue Protection. Given the prevalence of the issues and the fact that the industry has informed the CER of 618 confirmed cases of gas meter tampering in 2015 alone we believe that this should be addressed going forward in any proposed decision. In addition, the CER has reported that lifestyle choice PAYG suppliers disconnect customers suspected of theft. There are no guidelines in this area and SSE Airtricity suggests that consideration needs to be given to how the disconnections process would work for customers suspected of theft.

The CER needs to consider the pending National Smart Metering project. The CER needs to be cognisant of the effect of all aspects of the National Smart Metering programme. For instance a consultation process on supplier obligations with regard to Smart Metering is expected to be undertaken in 2017 when suppliers will be expected to make the changes proposed in this current process. This could lead to unnecessary costs being applied to suppliers and in turn customers if additional changes are needed in quick succession.

There needs to be a central repository for all suppliers' regulatory obligations. Currently references to all supplier's requirements are located sporadically throughout various areas of the CER website along with information contained on other relevant sites (e.g. RMDS). SSE Airtricity suggests that all obligations (including for example, Retail Market Monitoring framework, Green Source Products, Deemed Contracts) should be outlined in one single central repository which would assist suppliers in ensuring compliance and we feel that this would be an ideal opportunity to consider how this can be done.

Given the vast number of significant changes proposed, the cost of implementation will be high. This review represents the first review of the Supplier Handbook and as such many changes are proposed. The implementation of all proposed changes will require major system and process changes, and will pose significant IT costs. We suggest that the CER

needs to evaluate the benefits of all proposals in this context and ensure that changes address existing issues in the market. We also suggest that the proposed decision contains CERs suggested implementation plan so that suppliers can adequately evaluate all proposals.

Other Comments

Consumer Engagement Groups

It would be appropriate to liaise with consumer engagement groups in relation to many of the areas such as the doorstep checklist and it would be appropriate to ascertain exactly what information the customer wants to receive. SSE Airtricity is concerned the changes proposed for the doorstep checklist are unnecessary and would lead to increased confusion for customers.

Language

The language and layout of the review is confusing in certain areas and requires clarification. We propose that any proposed decision and subsequent communication is clear and reflective of this.

Enforcement

Given the nature of some of the requirements and the extent of the changes, SSE Airtricity would ask CER to consider how it can adequately monitor compliance.

Network Handbook

Similar to the Supplier Handbook, we propose the introduction of a similar Network handbook which would outline network specific obligations with respect to their dealings with customers (e.g. vulnerable customers). There have been a number of instances where customer issue resolution times could have been greatly reduced had there been an agreed set of procedures that provide guidance to both suppliers and the network providers.

SPECIFIC COMMENTS

The Introductory Section

Relationship between the Supplier's Handbook and other requirements

Q1. Respondents are invited to comment on the introduction of a set of overarching principles to govern the customer-supplier relationship. Should these principles apply to both household and non-household customers? Do you agree with the proposed requirements? What other requirements should be considered? Please outline reasons for agreement or disagreement.

SSE Airtricity believes that the introduction of these principles represents a fundamental change to the approach of the Handbook and as such should be carefully considered. We would question the rationale for the inclusion of some detailed requirements as key principles over others in the Handbook. From our perspective all requirements should have the same weight in terms of importance and the principles should be high level. Moreover we are concerned about the uniformity of the application of the principal rules and would suggest that the CER should drive the standardisation of this. Furthermore we believe that many of these rules could not have same application to both domestic and business customers as suggested in the review, e.g. those related to customer protection legislation.

We have outlined some specific comments on the principles below.

Principle 1 Compliance with retail market design rules and market monitoring requirements

SSE Airtricity proposes that reference to all regulatory rules and requirements that suppliers must abide by such as those contained in decision papers and information notes needs to be contained in a central repository. Currently all requirements are contained in different locations and different papers and as such it would be highly beneficial to have a type of central repository for where a supplier can go to see or get a link to the latest version of any rule/requirement. These rules should be clearly documented to reduce the risk of unintentional noncompliance which could be particularly high for new market entrants. In this manner it would provide appropriate reference for all stakeholders involved in the energy

industry. In the absence of clear guidance it would be difficult for and supplier or the CER to ensure full compliance.

Principle 2 Compliance with customer protection legislation

SSE Airtricity takes its role in the area of customer protection very seriously and goes beyond what is required of it to ensure that customers are protected. While we completely understand the rationale for this principle, suppliers are legally required to comply with customer protection legislation and it is not the role of the CER to police all customer protection legislation. SSE Airtricity is concerned that this would serve to duplicate an already existing set of requirements that suppliers need to comply with. SSE Airtricity believes that all suppliers currently ensure that the Codes of Practice, Customer Charter and Terms and Conditions of Supply are compliant with current customer protection legislation and CER decisions. However recognition needs to be given that the CER minimum standards themselves should be consistent and compliant with current customer protection legislation. SSE Airtricity would also question how CER would propose to monitor compliance with this principle given the role of other agencies in this area.

Principle 3 Fair, honest, transparent, reasonable and professional behaviour

SSE Airtricity questions the wording of the requirement to not engage in any activity that would cast aspersions on or discredit their competitors. Whilst we understand the merit of its inclusion we would question the word 'aspersion' as it implies that suppliers cannot raise objections or concerns in relation to potentially erroneous activity.

Principle 4 Consistency of terminology

SSE Airtricity would be generally supportive of this principle where agreed terminology has been discussed and consulted on appropriately through an industry forum or channel.

Principle 5 Internal systems, processes and procedures conducive to compliance with customer protection measures and adherence to the overarching principles

SSE Airtricity would suggest that the points following principle 5 do not address all relevant areas of concern. In this manner it may be more appropriate to leave this as a more general principle.

Principle 6 Minimise the extent of disconnections for non-payment of account and self-disconnections

SSE Airtricity would suggest that all requirements in the handbook should have the same weight in terms of importance. The requirements of the Codes themselves have the effect of what is proposed in this principle.

Principle 7 Customer's nominated representative

SSE Airtricity would request clarification in relation to this proposal. We would be very concerned if we could not assist customers in accessing services they need where appropriate. This clause appears to consider this type of assistance inappropriate where coming from suppliers and could lead to customers being detrimentally impacted. We agree that a supplier should not advocate for the customer in the switching process as this could lead to unintended miss-switching, however in normal business a supplier should be able to assist customers as needed.

Suppliers' representatives

Q2. Respondents are invited to comment on the proposed requirement. Do you agree with the proposed amendment? Please outline reasons for agreement and disagreement.

SSE Airtricity would welcome some clarity with respect to the customer protection framework for customers who deal with representatives acting on behalf of energy suppliers. While SSE considers that customers should benefit from the protections of the Handbook and customer protection measures we would suggest that the CER reconsiders how this proposal would apply where a supplier has a 'non-exclusive' relationship with a third party. We believe non-exclusive contracts that suppliers may have with third parties (for example, property channels and bonkers/switcher) could not fall under this proposal given such representatives offer specific services for all suppliers and no one supplier has a leading relationship with the third party.

The proposal states that the provision of 'energy efficiency advice' should be included in the requirements. It is also unclear as to how the provision of other unregulated services would be treated under this requirement. We would suggest that suppliers must ensure that the supplier representatives adhere to the requirements of the Handbook where the interaction is solely

related to the supply of electricity/gas as this is where the role of the CER sits.

Also it is unclear how this would apply to non-household customers who utilise the services of Third Party Energy Brokers who engage on their behalf as they have a nonexclusive relationship with the suppliers. We would not consider all the proposed conditions to be applicable to commercial agents such as training on the recognition and treatment of vulnerable consumers.

Annual Codes of Practice Notification

Q3. Respondents are invited to comment on the proposed amendment. Do you agree with the proposed amendment? Please outline reasons for agreement and disagreement.

SSE Airtricity is open to the amendment of the requirement of the notification of the Codes of Practice in its current format. However the proposal seems to imply that suppliers will be required to notify customers both annually and on every bill or statement. If this is the case we would question the merit of retaining the requirement to annually notify customers given that reference to the Codes would be contained on every such bill or statement. Further clarity may be required in this respect. SSE Airtricity supports ensuring customers receive notification, however does not support increased costs of notification if customers will already be receiving the information with every bill.

Other

Q4. Respondents are invited to comment on whether the current requirements of the introductory section (i.e. Introduction, Application and Approval Process) require updating.

SSE Airtricity does not believe that any other requirements currently contained in the Introduction, Application and Approval Process sections need to be updated fundamentally but would suggest that they are reviewed again in the context of any proposed decision in order to ensure consistency.

Supplier's Customer Charter

Customer Charter

Q5. Respondents are invited to comment on whether the current requirements of this section require updating. Should other requirements be considered for inclusion? Please provide arguments to substantiate your point of view.

SSE Airtricity agrees in principle with retaining the current obligations on Customer Charters. However in order to provide the necessary consistency we would suggest that the content is appropriately assessed again with respect to any proposed decision and subsequent final decision.

Code of Practice on Marketing and Sign Up

Quality and accessibility of information provided by suppliers to customers

Q6. Respondents are invited to comment on the proposed requirement. Do you agree with the introduction of this requirement? Please outline reasons for agreement and disagreement.

SSE Airtricity would be generally supportive of the requirements outlined and believe that guidance of this nature should provide the necessary regulatory direction in terms of marketing and advertising campaigns. However we would suggest that the requirement for products or services to be appropriate to the customer to whom it is directed is too ambiguous and places too high a level of obligation on the supplier with respect to products or services. Where a customer has been provided with clear information in a fair manner in line with the Code requirements, it must be the customer's assessment that determines suitability of a product.

Tariff Information on the Website

Q7. Respondents are invited to comment on the proposed requirement. Do you agree with this requirement? Please outline reasons for agreement and disagreement.

SSE Airtricity is supportive of the amendments to the requirement in relation to the publication of publically available tariffs on supplier's websites. However, we consider that suppliers are best placed to decide the

most appropriate layout for their websites and given the various types of website formats a direct link on a homepage may not always be feasible. We suggest that the wording of the requirement is changed for suppliers to ensure that the tariffs are easily accessible on the website.

To ensure clarity, SSE Airtricity suggests that the CER provides a definition for 'publically available tariff' and proposes that it is a tariff that is currently available to all new customers.

Accredited price comparison websites

Q8. Respondents are invited to comment on the proposed requirement. Do you agree with these requirements? Please outline reasons for agreement and disagreement.

While we understand the intention of this proposal, SSE Airtricity considers that the proposed requirement for suppliers to communicate changes to publically available tariffs and new publically available energy offers to accredited price comparison websites is removing a key responsibility away from the price comparison websites. Price comparison websites are commercial businesses with requirements they must undertake to meet the CERs accreditation.

It is inappropriate for the CER to place an obligation on suppliers to undertake a role to ensure the accuracy of an external commercial business. SSE Airtricity also questions the powers of the CER to place this obligation on suppliers. All this information is already on the suppliers websites in a clear and transparent manner, and is up-to-date for customers. We believe that Accreditation websites themselves should be required to ensure that their information aligns to that on the supplier websites. In addition we are against the level of weight given towards the Accredited Price Comparison Sites in other sections of the review and do not feel that this is warranted.

Presentation of information on marketing and advertising material

Q9. Respondents are invited to comment on the proposed requirements. Do you agree with these requirements? Are there other requirements that we should consider for inclusion in this section? Please outline reasons for agreement and disagreement.

SSE Airtricity would suggest that the proposed content is overly prescriptive and recommend that a principle based approach would be more practicable. Among our many concerns is that the requirement suggests that the minimum standards would be uniformly applicable across all channels such as websites, brochures, leaflets, posters, banners, radio and TV ads which would be an unrealistic measure in reality. For instance there are inherent space limitations with small digital banners and radio advertisements which both the broadcasting authority and clearcast guidelines have considered when approving all radio scripts. Also, it would not be possible to consider a customer's actual consumption across all channels.

We are concerned about the emphasis the CER is placing on the price element of an energy product. Customers may place value on other elements of a product such as loyalty schemes, free energy services etc. The market has evolved and suppliers have become more innovative which has resulted in products changing over time and customers benefitting from a greater level of choice in the market. The focus on average bill on all marketing material could create a risk of drawing attention away from the other elements of a suppliers offer that the customer might value. SSE Airtricity also considers that the inclusion of items such as cashback into the calculation of annual average bill could actually serve to confuse customers (given the different methods used by suppliers in applying the cashback) and potentially stifle innovation in the market.

We have also highlighted some key points on the proposed requirements outlined below.

The estimated average annual bill associated with that promotion based on CER estimated annual consumption figures, inclusive of energy related discounts, cash-back, refund of cash on customers' bills. This figure should be displayed on all advertising material, regardless of the means of dissemination.

SSE Airtricity does not support the inclusion of this information on all advertising material and believe this will lead to confusion for customers and the opposite impact to what the CER intends.

We believe that recognition needs to be given to the fact that suppliers may have different methods of applying the cashback/credit. For instance some customers may not see this until the end of the year and as such it would be difficult to include it in an upfront offer. Therefore we consider further clarity is required and that the inclusion of this in the calculation of annual

consumption needs to be evaluated fully to ensure customers are not misled. In addition we believe that the industry annual consumption figures needs to be assessed in the context of this review.

This figure should include all energy costs, together with PSO, carbon tax, VAT and all other applicable charges ad levies. Non-energy related elements, such as loyalty points, vouchers, free or discounted services/products must not be included in this figure.

As discussed above, we are concerned about the emphasis on the price component of a product as customers may place a higher value on some of the other elements of a product. We are also concerned that this will lead to confusion for customers.

Where the offer presents (information on) one element of the tariff (i.e. the unit rate or the standing charge), the offer must also present information on all the other components of the tariff. The information must be in the same font and size and presented in the same location

The language of this proposal needs to be reviewed and we request clarity as to which marketing material or channel the proposal is relevant to. All suppliers already include the full provision of information in their advertising campaigns which directs customers to all components of the tariff which we believe has been effective in reducing confusion and potentially convoluted advertising campaigns.

Any comparisons must be based on the customer's actual annual consumption or approved annual consumption figures and include all other applicable charges (i.e. variable and fixed charges, such as standing charges, prepayment charges, levies, taxes) and energy related discounts (such as cash backs or cash refunds) but exclusive of non-energy related elements (such as loyalty points, vouchers, free or discounted products or services). Any discounts that expire in less than one year should be identified in any comparison

The proposal suggests that a customer can request immediate comparison calculation of an average annual bill through any channel, including from door to door sales agents. This is not workable, would be a major and costly change to supplier's practices and would potentially be subject to errors as agents would be relying on the information solely provided by the customer. SSE Airtricity would request clarity on how compliance would be measured in this regard. Additionally, consumption patterns can change significantly

year on year and annual consumption data can be based on estimated reads. While we would argue that it is more appropriate for customers to measure and calculate this themselves using their own information as is currently the case, we understand the intention of this proposal. We suggest that industry benchmarked figures (e.g. for 2 bed house etc) provided by the CER could be used to undertake more accurate comparisons.

Increasing customers' ability to understand and compare energy offers

Q10. Respondents are invited to comment on the options put forward to increase customers' ability to understand and compare energy offers, as detailed at a), b) and c) above. Do you have a preferred option or combination of options? What other options should we considered? Please provide arguments to substantiate your viewpoint.

SSE Airtricity understands the importance of standards to increase customers' ability to understand and compare energy bills with respect to domestic customers. However we believe that the various proposals under this question would not have the same applicability to commercial customers as the tariffs offered to these can be more complex depending on the meter type i.e. demand/interval meter and many of the plans are bespoke depending on the individual customers. We also believe that further consideration needs to be given on the following:

Provide customers with a clear and easy to understand basis for undertaking comparisons between energy offers

We would agree in principle to this requirement but similar to the above we would suggest that the methodology used for the annual consumption figures needs to be assessed in the context of this review. In addition we would request clarity on whether any other components such as credit offers are proposed to be included in any energy offers when undertaking comparisons.

Simplifying the structure of the energy tariff

SSE Airtricity does not support the CER proposal to simplify the structure of energy tariffs. This will lead to less understanding of the components of energy bills and could reduce innovation in tariffs. This will also become redundant where time of use tariffs are used as there will be more than two components of tariffs.

Further consideration also needs to be given to items such as PPM daily charge, in the event this is masked within one component customers may not realise they are paying an additional higher charge for their energy. In addition the PSO levy needs to be considered and referenced accordingly. It is unclear how to account for PSO, carbon tax and VAT – these are not components of a suppliers tariff but taxes on customers. We would argue that the proposal should state explicitly what should and should not be included in a suppliers tariff.

Comparison with customers' own current energy plan

As per the previous comparison proposal, we would suggest that this can only be based on industry benchmarked figures provided by CER. The use of actual consumption would potentially be misleading and inaccurate dependent on what information is made available by the customer. There would also be no way of recording what is said during a door to door call in the event information is not correctly provided by the customer for this purpose.

Requirements related to win-back and retention activities

Q11. Respondents are invited to comment on the following questions:

i. Do you think that specific customer protection measures should be introduced to limit the number, frequency and format of suppliers' attempts to contact a customer for retention /win-back activities?

SSE Airtricity would be generally supportive of the introduction of specific customer protection measures with respect to the number, frequency, format and type of contact with customers for retention /win-back activities, however we would request more information on what exactly the CER proposal is in this regard. There is no clear proposal set out in the consultation which limits the ability to comment.

ii. Should a principle based approach be used for customer protection purposes in this case or would a combination of principle and rule based be more appropriate?

Before forming a view on this, SSE Airtricity would request more information on what would be proposed under a rule based approach to the regulation of retention/winback activities. The consultation has no proposal to compare and comment on.

iii. Where a rule based approach is preferred, please comment on what is the most appropriate number, frequency and format of attempts to contact customers for retention/win-back purposes?

SSE Airtricity assumes this is being proposed to address an issue in the market. In light of this, SSE Airtricity considers that the CER is best placed to propose a solution to the customer issues it has encountered. There have been discussions at various industry PAYG and switching workshops on this and the SSE Airtricity is disappointed that these have not led to a clear proposal in this consultation. CER should take account of views raised at these. We would however request the CER to provide clarity on if this requirement would only apply to situations where a supplier receives a market message indicating an intention to switch. SSE Airtricity does not consider that this should apply in any other cases where suppliers might contact an existing customer.

Q12. Respondents are invited to comment on the proposed requirement. Do you agree with this requirement? Please outline reasons for agreement and disagreement.

SSE Airtricity is supportive of proposals to ensure that the information presented to customers who have expressed an intention to switch is accurate and consistent with the information provided to the customer at sign up. However we consider that the proposed text is unclear as to whether the requirement is referring to situations where a supplier is undertaking winback activities.

In addition we also do not believe that the requirement adequately addresses all the current issues in the market with respect to PAYG meters. In this respect we believe that a prescriptive obligation which states that suppliers should not employ predatory practices when retaining customers is necessary in order to protect customers.

Lifestyle PAYG Deactivation Code

Q13. We are inviting respondents to comment on whether specific regulatory measures are required to prevent PAYG lifestyle suppliers from combining the provision of the deactivation code with any retention or win-back activities. Please outline reasons for agreement and disagreement.

SSE Airtricity is supportive of proposals to segment the provision of the deactivation code with any retention or win-back activities in line with the CER information note on 'PAYG Lifestyle Choice Customer Facing Arrangements' that was circulated to industry participants in 2015.

SSE Airtricity believe that specific guidelines and timeframes are required for when the deactivation code is issued, when the switching process starts and where the appointment for the removal/installation of the meter can take place within this process. We believe that the Deactivation code should be issued within 24 hours of 110 or 105L message receipt. We would agree that there should be requirements in place to ensure that customers are not prevented from switching because certain suppliers do not provide the deactivation code or combine it with retention activities. Any retention activity should not commence until the deactivation code has been provided to the customer.

Q14. Respondents are further invited to comment on whether we should consider additional requirements for inclusion in this section. What should these requirements address and what is the most appropriate wording for such requirements?

SSE Airtricity is disappointed that the review does not provide any suggestions as to how the CER proposes to address other concerns that have been discussed at various PAYG and Switching industry workshops. We were of the understanding that the consultation was to set out the proposed requirements to address all the issues outlined below.

- ***Installation/Removal of the PAYG device*** – As per previous discussions, regulations are required to ensure that the timing of the installation/removal of the PAYG device does not leave the customer in a position where they are charged by both the gaining and losing supplier
- ***Deactivation code/Retention activities*** – A decision needs to be made on the timeframe between the provision of the deactivation code and any potential retention activities. SSE Airtricity believes these activities should be completely delinked to ensure the customer does not feel the deactivation code is being withheld in order to retain the customer.
- ***PAYG Cancellation*** – There is a need to ensure that PAYG suppliers do not continue to cancel a customer's switch without engaging with or receiving permission from a customer after the cooling off

period. This puts the previous supplier in an awkward position when the customer contacts them.

Cooling off period

Q15. Respondents are invited to comment on the proposed requirement which will see suppliers' door to door sale agents having to leave a Cancellation Form with the customer, together with the Doorstep Checklist, upon completion of the sales pitch.

SSE Airtricity requests that the CER considers carefully the benefits to a customer when a supplier leaves a cancellation form with a customer at the door. SSE Airtricity considers that this could pose a risk of confusing the customer as the sale will not be verified and validated until after the sales agent leaves the property and the customer will not receive confirmation of the switch until after this point. We believe that customers should be given the option of being provided with the cancellation form at the door but also be provided with the option of receiving the cancellation form in any sales completion material emailed or posted to the customer after the sale is verified and complete.

Doorstep checklist

Q16. Respondents are invited to comment on the proposed amendments to the Doorstep Checklists for bill pay and pre pay energy offers, as detailed in Annex 4, respectively 5. Do you agree with the suggested amendments? Please outline reasons for agreement and disagreement.

SSE Airtricity would be generally supportive of the doorstep checklist but we have identified some concerns. Any changes must be necessary and proportionate for the purpose of providing the customer with the key terms of the sale.

We believe that any revision to the content will be driven by other decisions made in the review. We also believe that consumer groups should be consulted on this as customers may be against an excessive amount of information being provided to them when a sales agent visits their home at the door.

We have highlighted some small issues with the amended content below and would suggest that this is discussed further.

Bill Pay Energy Door to Door Sales Checklist

- **Language** – The wording and grammar of the credit checklist is incorrect in a few instances such as points I and j which has made it difficult to fully assess. We would also suggest amending the word ‘deal’ in context of the explanation of energy offering as this is not a prevalent term in the energy industry and is inconsistent with the terminology contained in the PPM Energy Checklist. .
- **Level Pay/Cash Payment** – We are unclear as to why the example of a payment method has changed from over the counter to cash. We believe that using the example of a cash payment would suggest to customers that sending cash to suppliers is appropriate. Level Pay is not an industry term.
- **Change** – The requirement to explain changes that apply to the terms and conditions of supply after the expiry of the contract is excessive and could result in a lengthy conversation. All of these details would be explained to customers in any follow up communication and would be contained in the customer’s terms and conditions. SSE Airtricity is of the view that the initial sign up might not be the best channel to outline every detail to a customer.
- **Charges** – The proposal uses prepayment charge as an example of an applicable charge to customers which would not be necessary if the forms are been split between each meter type.
- **Additional Questions** – The additional questions related to fuel balances, how payments will be allocated and disconnection procedure would require lengthy complex explanations which the customers may not necessarily wish hear at that point in time and which may never be relevant to the customer.
- **Customer’s views** – SSE Airtricity suggests that engagement with consumer groups is necessary when evaluating the proposed checklists as customers may not appreciate the large provision of information.

Prepay Energy Door to Door Sales Checklist

- **Vulnerability** – The question on the PAYG Checklist in relation to the eligibility to register as a vulnerable customer would likely be driven by decisions made in other areas of the review such as the suitability of PAYG meters for vulnerable customers in question 36. For instance the proposed written statement to confirm that vulnerable customers are not covered by certain protection measures will require further clarification as we consider that priority customers should not be using this technology. We would also suggest that any written statement forms part of the checklist and not be included in any separate sign off as suggested.
- **Switching** – We would be against providing customers with information about specific actions they have to perform if they decide to switch to another energy supplier as a sales channel is not an appropriate time to be informing a customer on how to switch to another provider on a future date. It would be more appropriate to inform the customer that they may need to contact their previous supplier at this point to retrieve the deactivation code. Alternatively this information can be highlighted in the key terms and conditions in any sales competition email.
- **Payment Options** – The checklist makes no mention of how the customer should make payment to the suppliers i.e. over the counter top-ups.
- **Cancellation form** – We consider that the inclusion of a reference to the cancellation form should be reviewed when a final decision is made.

Customer Sign Up process

Q17. Respondents are invited to comment on the proposed amendments to Section 5.8 of the Customer Sign Up. Do you agree with the proposed amendments? Please outline reasons for agreement and disagreement.

SSE Airtricity would request that the CER considers the following issues.

- **Penalty Provision** – We are unsure as to why the previous provision to explain any penalty that may apply if the customer does not meet the terms of the contract has been removed.
- **Signing up a vulnerable customer** – This provision needs to be substantiated and include a caveat which stipulates its applicability only where a customer has declared a vulnerability.

- **Commercial Sign Up Process** – Some of these changes would not have the same applicability to the commercial sign up process such as vulnerable customers.
- **Retention** – We would request clarity as to how these proposals would apply in any retention activity.

Improve customer participation

Q18. Respondents are invited to comment on the above options to improve customer participation and protect customers who do not engage with the market. Do you have a preferred option or combination of options? What other options should we consider to maximise market participation? What other options should we considered to protect customers who do not engage with the energy markets? Please provide a rationale to substantiate your view point.

SSE Airtricity does not believe that the proposed changes to improve customer participation will address issues around non-engaging customers or actually improve customer participation. We consider that improvements in customer participation need to be directed towards customers who have never switched because other customers are aware of the switching option and are active. SSE Airtricity estimates that the size of the competitive market is up to 60% lower than the reported size of the domestic electricity market² and approximately 50% of all domestic customers for both electricity and gas have yet to switch away from the incumbent suppliers and therefore have not engaged in the market. Any changes in this area should help non-switchers to get better value and should be proportionate and necessary. In addition we believe that the CER needs to provide clear guidance on how the success of these changes will be measured.

As such we have outlined various concerns below with respect to the options provided. These are proposals that you would expect to see in a fully competitive market where no one party holds significant market share and suppliers are operating on an equal footing. However, competition has not yet developed to that level as of yet and SSE Airtricity believes the CER is skipping the first step which is to address customers that have never switched.

² SSE Airtricity estimate based on assumption that the competitive market represents customers that switch to get a better offer. Changes of tenancy and debt flagged customers have been excluded.

We note the comments the CER has made with respect to the annual survey - *Awareness of the offers currently on the market is low across both electricity and gas domestic markets, with circa half of the domestic respondents claiming not to be aware of any offers such as unit price, discounts for fixed term contracts, percentage reductions, and loyalty scheme benefits.* This is in line with the number of customers who have never switched and confirms these customers should be targeted in the first instance.

Notice before the expiry of a fixed term contract

SSE Airtricity believes that the CER needs to appropriately consider the full impact of this requirement before making any final decisions and we have listed various areas of concern below.

- Consideration needs to be given to the fact that the incumbent suppliers don't have the same amount of contracted fixed term customers as the smaller suppliers and therefore the change will disproportionately affect newer, smaller suppliers.
- The notification is effectively targeting customers who have already switched as opposed to the ones who haven't and as such it will not increase customer participation in the market.
- The notification could stifle competition in the long term as suppliers will focus on retention through additional services and non-energy supply products.
- The requirement will have a high associated cost which will ultimately feed back into an increase in the tariff for all customers.
- If the CER made a decision to proceed with this requirement, we would be against adding unnecessarily prescriptive obligations to the existing requirements and would suggest that flexibility is allowed in the content order to allow for suppliers to differentiate themselves which will ensure that innovation and competition is not stifled.
- In the proposed content of the notification, the estimated difference in Euro amount between the previous average annual bill and the next average annual bill based on past year consumption would require a high level of intelligence to be built into the system which would have a high cost impact. Consideration needs to be given to the fact we may only have estimated reads.
- Clarity is necessary on whether suppliers could include information on other offers on the notification and at what point can suppliers attempt to retain the customer.

- We believe that outlining the specific charges in the notification (i.e. unit rate, standing charge etc.) which will apply after the expiry of the fixed term contract would be difficult as it would require for the letter to differentiate between 24 hour and Day/Night meters.
- If this proposal was to go ahead, consideration should be given to suppliers providing the notification on customers' bills or statements as individual written notifications have a high cost impact.
- Clarity is required on whether customers who are currently in a fixed term contract will need to be contacted.
- SSE Airtricity would also point out that customers receive such information in their terms and conditions on signup.

Annual prompt

When considering this requirement we would suggest that the CER carefully considers the current progress of competition in the energy market. As stated already it has been estimated that up to 50% of all domestic electricity and gas customers have never switched and therefore have not engaged in the market. In this manner we believe that prompts of this nature should be directed towards these customers who have never switched. Similarly we would suggest that domestic customers who have already switched do not require these measures as they have previously participated in the market and shown a willingness to engage. There is no acknowledgment in the consultation paper that these active customers may actually be engaging with their existing supplier to get better offers. It is disappointing that this is the CERs solution to addressing the issue of non-switchers and we do not believe it will improve customer participation. Introducing this requirement for all suppliers may ultimately be counterproductive as it could result in a disproportionate impact on newer suppliers in the market who have more active, engaged customers. It would also unnecessarily add to costs for new entrants in the market. SSE Airtricity considers that this proposal does not go far enough to ensure that non-switchers are protected and benefit from competition and we do not understand why the proposal has been diluted to include active customers in the market. In addition to the above SSE Airtricity believe that further discussion is required with respect to the content of the notification itself.

We have highlighted other concerns below that the CER should address in any final decisions.

- SSE Airtricity is unclear as to the precise definition of 'non-discounted' tariff and requests clarity on this.
- The requirement for the prompt to contain information on the estimated difference in Euro amount between the previous annual bill and next annual bill could be difficult to implement as suppliers may not have the exact consumption of the customer due to an absence of meter reads.
- Clarity is required in relation to the means of the communication. While the proposals states that this would be a written notification, it is not clear from the proposal if this can be combined with other communications sent to a customer. The cost of a separate communication would be excessive for the perceived benefit.
- We would not consider this prompt to be applicable to non-domestic customers as this group's engagement with the market is more mature than domestic.

Availability of energy offers to existing customers

SSE Airtricity considers that suppliers should be permitted to offer unique deals both to new and existing customers. We do not believe this proposal will provide for increased competition in the market. Suppliers should be able to offer unique energy deals to their existing customer base which is based on their needs and also unique and differentiated offers to new customers. The requirement suggests that we would have to uniformly offer deals to various groups of customers which it may not benefit. In addition we believe that it has the potential to reduce switching in the market by removing the acquisition and retention differential. Moreover it could result in introductory discounts being removed from the market which may stifle competition and reduce options.

In support of its views, SSE Airtricity would point to the recent CMA review of the energy market in Great Britain. The CMA has proposed in their provisional decision to remove this requirement because they consider that it has the potential to restrict competition between suppliers and the removal of it would result in more innovation which is a key feature of a competitive market.

Passing on discounts associated with billing format/method of payment

Whilst some suppliers currently offers a discount to customers who continue on direct debit and e-billing after their fixed term contract expires,

we are not sure if a specific requirement is necessary. We consider that the discounts offered for customers are a business decision based on the cost to serve a customer base which can vary across suppliers. If this was implemented the incentive to switch might be further reduced.

The proposal itself is vague in terms of how it would operate in reality. For instance, would this only be a requirement for new switchers? SSE Airtricity would be concerned that it might not be possible for the CER to direct suppliers to apply it to their existing base of customers meaning non-switchers would not benefit. If it was not applied to current customers, we consider that this requirement would not achieve the results it would like to achieve and we suggest that the CER seriously considers how this proposed requirement would be introduced and applied.

Finally it is unclear from the review whether it is proposed that this should apply to commercial entities. We would not consider it appropriate for a requirement of this nature to apply to commercial entities as the methodology used to calculate a discount related to commercial entities is much more complex and different to the domestic customer base.

Code of Practice on Customer Billing and Disconnections

Obligations on energy suppliers arising from the Energy Efficiency Directive

Q19. Respondents are invited to comment on the proposed new requirements and amendments to current requirements. Do you agree with the introduction of these requirements and the proposed phrasing? Please outline reasons for agreement and disagreement.

Any changes with respect to the Energy Efficiency Directive need to be proportionate to the requirements stemming from the directive and subsequent SI and provide clear guidance on how to be compliant. In this manner we have highlighted some small concerns below that should be addressed in any final decisions.

Proposed requirement 2

We would propose that the text states that 'Suppliers should endeavour to provide...'. As identified below, there may be specific reasons why a supplier might not be able to adhere to the requirement:

- ***Current Actual Prices and Consumption of Energy*** – Whilst suppliers would endeavour to provide accurate billing information that is based on correct meter readings and consumption, this would not be possible where only an estimate is available and this needs to be emphasised in the final requirements.
- ***Customers' Current Consumption*** – A comparison of final customers' current consumption with consumption in the previous billing intervals can only be achieved where information is available to supplier.
- ***Contact Information for Organisations*** – The obligations with respect to contact information for organisations needs to be specific here or else there would be a risk of too much information on bills. For instance we would consider that a link to an energy efficiency organisation such as the SEAI would be sufficient for this purpose.
- ***Comparisons with an average normalised final customer*** – These comparisons can only be used where CER has approved the figures that suppliers must use. The CER must also define the user categories as an absence of defined comparisons will result in completely different comparisons used across suppliers.

Proposed requirement 3 – We would be of the view that the final language of this requirement is replicated in number iii of proposed requirement 2 as they are both trying to achieve the same purpose. In addition SSE Airtricity suggests that the CER provides the benchmark profiles. This information needs to be reasonable and readily available. Moreover contact details for only one organisation should be required given the risk of too much information and confusion.

Obligations on energy suppliers arising from CER decisions that impact on the content of the information to be included on the energy bill / energy statement.

Q20. Respondents are invited to comment on the proposed requirement. Do you agree with the introduction of this requirement and the proposed phrasing? Please outline reasons for agreement and disagreement.

SSE Airtricity is supportive the inclusion of any fuel mix and green source products information on customers energy bills, statement or other which originate from CER decisions in these areas. Nevertheless we believe that

the CER needs to include specific guidelines and information in this regard or at least provide for a central location as to where to find the requirements. In the absence of this there will be continued confusion as to the exact requirements on suppliers especially for new entrants. We would also suggest including any other relevant clarifications that have been provided from the CER with respect to Green Source Products.

Deposits - Energy and non-energy related charges

Q21. Respondents are invited to comment on the following:

i. Are additional requirements needed to regulate the amount that suppliers request customers to pay as security deposit for sign up or reconnection? Should these requirements be based on a specific model/formula or guidelines issued by the CER?

SSE Airtricity would be against introducing requirements that are too prescriptive with respect to deposits. All suppliers have different business models and associated risks depending on how they operate and how long they are active in the market with debt and the level of exposure the supplier has to bad debt being a large factor in their assessment of deposits. It should be remembered that customers consume energy which suppliers must pay for in advance of being billed for it. As such, suppliers are exposed if customers do not pay their bills.

A strict requirement would also have a strong impact especially with respect to commercial customer contracts. Suppliers should be able to reserve the right to apply deposit for non-household customers based on credit risk of the commercial customer and the suppliers own risk appetite associated with taking on that customer.

ii. Should customers who opt to avail of a PAYG meter be required to pay a smaller security deposit or any security deposit at all?

SSE Airtricity believes that this should continue to be governed by the individual providers and assessed on a case by case basis. Customer risk profiles may vary for different suppliers so it would not be feasible to set an industry amount. It should be at a supplier's discretion whether to apply a deposit or not. For example, where meter tampering may have previously occurred it could be appropriate to request a deposit at this type of property.

iii. Are there are other issues that we need to consider in relation to the security deposit?

SSE Airtricity does not presently have any other issues that need to be considered in relation to deposits.

Fees applicable during and at the end of the energy supply contract

Q22. Respondents are invited to comment on the proposed requirement. Do you agree with the introduction of this requirement and the proposed phrasing? Please outline reasons for agreement and disagreement.

SSE Airtricity would be broadly supportive of this proposal and would consider it appropriate to inform customers of all charges relevant to the supply of energy at the point of sign up.

Consistency, completeness and transparency of information presented on energy bills and energy statements

Q23. Respondents are invited to comment on the proposed requirement. Do you agree with the introduction of this requirement and the proposed phrasing? Please outline reasons for agreement and disagreement.

SSE Airtricity would be generally supportive of this proposal.

Dual fuel billing

Q24. Respondents are invited to comment on the proposed amendments and new regulatory measures. Do you agree with the introduction of these amendments and new regulatory measures? Please outline reasons for agreement and disagreement.

SSE Airtricity is generally supportive of the requirements in relation to Dual Fuel Billing.

Q25. Respondents are further invited to comment on whether we should consider additional requirements for inclusion in this section. What should these requirements address and what is the most appropriate wording for such requirements?

Additional Comments

In relation to disconnection, SSE Airtricity would like it highlighted that at the point of disconnection Networks can use their discretion if they consider that the customer is in a 'vulnerable' position and should not be disconnected. The requirements and assessment of vulnerability by Networks requires review to ensure that both suppliers and customers are protected by this provision. SSE Airtricity has come across areas where progress has not been made due to misuse of this requirement. Where this happens, further costs are incurred by both the customer and supplier. This is unsatisfactory and suppliers have to go through a robust disconnection process that can take over 60 days to complete only to find that the technician has decided not to disconnect a property. This increases the cost on all customers and we consider that Network technicians need specific guidelines on when it might be 'acceptable' not to disconnect a site at the doorstep. In this regard we believe that the introduction of a network handbook would assist greatly in defining each network provider's obligations in relation to customers and suppliers alike.

Customers' ability to pay

Q26. Respondents are invited to comment on whether principles, guidelines or regulatory measures are required for suppliers to comply with to ensure that they take customer's ability to pay into consideration in setting debt repayment arrangements. If yes, what should such requirements include? Please outline reasons for agreement and disagreement.

SSE Airtricity does not see the necessity of introducing detailed regulatory measures with respect to assessing customers' ability to pay. We believe that suppliers should be allowed to retain a level of flexibility in terms of how they decide to collect debt. We believe that suppliers have the necessary knowledge of customer's history and debt levels and restrictive obligations in this regard may hamper an appropriate payment arrangement. Suppliers are also operating to the Energy Engage Code which requires each customer to be dealt with on a case by case basis. If the CER has concerns that an individual supplier is not appropriately addressing debt with a customer this should be addressed at an individual level rather than trying to put in place prescriptive rules.

In addition we consider that it should be at the discretion of a supplier to determine the appropriateness of requesting customers in arrears to make

an upfront payment of a portion of the debt prior to the installation of a PAYG meter for financial hardship. We would note that this upfront payment should contribute to the reduction in the debt for a customer. It should not prevent a customer from not paying and switching and suppliers should have the ability to choose to take this risk.

Finally we would not consider this section to have the same applicability to commercial customers as a completely different assessment is generally undertaken in this respect.

Q27. Respondents are invited to comment on whether the current requirements of this section require updating. Should other requirements be considered for inclusion? Please provide arguments to substantiate your point of view.

SSE Airtricity does not see a need for further requirements with respect to measures on assessing customers' ability to pay. Suppliers are already bound by appropriate requirements and work with customers to ensure that they can meet any payment plans. We note that the CER has not identified any issues in relation to this during its audits of the supplier's processes in relation to the COPs. In this respect SSE Airtricity is not sure what 'issue' the CER is trying to address here.

Code of Practice on Complaint Handling

Monitoring of implementation of CER adjudications of complaints

Q28. Do you agree with the proposed requirement? Please outline reasons for agreement and disagreement.

SSE Airtricity would be of the view that each complaint is different with some more complex than others and as such we believe that a prescriptive requirement of three weeks for complaint resolution is not appropriate. Whilst suppliers may have the ability to reply to a particular CER complaint decision within 3 weeks, there may be some dependencies for suppliers such as liaising with meter operators in relation to meter investigations which could cause delays outside of the supplier's control. In this manner an onus would have to be placed on all parties involved in the dispute to respond within three weeks and not just suppliers. Additionally we think that suppliers be given certainty in terms of when the CER will provide a dispute resolution decision and suggest a similar timeline for this.

Therefore we would suggest that best endeavours would be a more appropriate requirement.

Q29. Respondents are invited to comment on whether the current requirements of this Code necessitate updating. Are there additional requirements that we should consider for inclusion? Please provide reasons to substantiate your view point.

SSE Airtricity does not believe there is a need to update the current requirements of this Code.

Code of Practice on Vulnerable Customers

Identification of vulnerable customers at sign up

Q30. Do you agree with the proposed requirements? Are there additional requirements that we should consider for inclusion here? Please outline reasons for agreement and disagreement.

SSE Airtricity would be generally supportive of the proposed minimum requirements with respect to the sign up of vulnerable customers. However during a sign up process the requirement to go through vulnerable customer requirements should only be needed once to ensure the customer is not asked repeated questions. With respect to information on bills, SSE Airtricity supports reference to the Code on the bill/statement provided this does not require a lengthy paragraph. We are conscious that the volume of information contained on bills is already leading to confusion for customers so information should be short and to the point in all cases.

Additional requirements

Q31. Respondents are invited to comment on whether additional requirements should be introduced for the sign up of vulnerable customers. If yes, what should these requirements provide for? Please outline reasons for agreement and disagreement.

SSE Airtricity does not believe that any additional requirements should be introduced for the sign up of vulnerable customers.

Registration forms

Q32. Respondents are invited to comment on whether it is appropriate to use one registration form for the identification and registration of vulnerable customers, as required under S.I. 463 of 2011. Please outline reasons for agreement and disagreement. Respondents are further invited to comment on whether a standardised registration form or forms should be developed and used by all suppliers for the identification and registration of vulnerable customers.

SSE Airtricity does not see the need to introduce any prescriptive requirements for suppliers to use one or two forms. We believe that supplier's requirements will be fulfilled so long as the relevant CER approved content is included.

Q33. Respondents are invited to comment on the proposed requirement. Do you agree with the introduction of this requirement and the proposed phrasing? Please outline reasons for agreement and disagreement.

SSE Airtricity is supportive of a requirement to ensure that the forms used for the registration and identification of vulnerable customers comply with relevant legislative requirements and CER instructions.

In addition we would request that the CER incorporates the amendments made to these forms that were appropriately consulted upon during the vulnerable customer workshops meetings and subsequent conference calls last year. Suppliers have already made the relevant changes to their systems in order to update their registration processes accordingly. Therefore we believe that the agreed changes to the forms need to be reflected in any update to the Supplier Handbook as these contain the most up to date legislative requirements.

Q34. Respondents are invited to comment on the proposed requirement. Do you agree with the introduction of this requirement and the proposed phrasing? Please outline reasons for agreement and disagreement.

SSE Airtricity is supportive of requirements to provide customers with a free and easy process for registration on the priority or special services register.

Change in the type of vulnerability

Q35. Respondents are invited to comment on whether additional requirements should be introduced to ascertain the status of vulnerable customers and ensure that they are registered on the appropriate register.

If yes, what should these requirements provide for? Please outline reasons for agreement and disagreement.

SSE Airtricity appreciates and recognises that the status of customers may change with respect to vulnerabilities and that additional measures may be required in order to ascertain if there has been a change. In this respect we would consider that a notification of the relevance of the special and priority registers on bills or statements as an appropriate measure to inform customers and do not consider that more detailed measures are required. We believe that this requirement should be done in conjunction with the statement of code of practice on the bill or statement as specific written notifications are costly and do not increase customer contact.

Suitability of PAYG meters for vulnerable customers

Q36. Respondents are invited to comment on whether principles, guidelines or regulatory measures are required to ensure consistency in the criteria used by suppliers to assess suitability of PAYG meters for vulnerable customers.

SSE Airtricity is not clear as to the measures that the CER would be proposing under this requirement and would suggest further clarity be provided. We consider that priority customers should not be provided with this technology in any instance as they are critically dependent on electricity.

For special services register customers whether the customer can use the meter successfully should be considered with the customers input. Whilst this may restrict this option to certain vulnerable customers it will protect them from disconnection and allow them to be afforded extra protection with respect to faults or planned outages.

SSE Airtricity has on a number of occasions come across customers who are registered on the priority register but who request a PAYG meter. In these cases, an assessment has been undertaken with the customer and the customer has confirmed they are no longer in need of electricity for critical dependence purposes prior to installation. The priority status has also been removed from the customer account on request of the customer. This highlights the need to ensure the sign up process is correctly capturing customers in line with the legislative requirements prior to inclusion on the priority register.

Continuous assessment of PAYG suitability

Q37. Respondents are invited to comment on whether specific regulatory measures should be introduced to ensure continuous assessment of suitability of PAYG meters for vulnerable customers (i.e. post sign up). What should these regulatory measures involve? Please outline reasons for agreement and disagreement.

SSE Airtricity believes that it would be difficult to implement specific regulatory measures on continuous assessment of suitability of PAYG meters for vulnerable customers. There are a number of vulnerable customers who are availing of the PAYG option and this is becoming an ever more prevalent choice in the energy industry. While SSE Airtricity already undertakes ad hoc checks, it would be resource intensive to introduce a specific requirement in this area. We believe that the requirement may present a large burden on suppliers, depending on how they would be expected to implement. An alternative option could be considered whereby a notification on the suitability of PAYG is embedded on any PAYG statement as an appropriate avenue of continuous assessment.

Self-disconnection of vulnerable customers on PAYG meters

Q38. Respondents are invited to comment on the proposed requirement. Do you agree with the introduction of such a requirement? Is the requirement formulated appropriately? Please outline reasons for agreement and disagreement.

Whilst SSE Airtricity understands the intent of this requirement, we believe that careful consideration needs to be given in this area given potentially significant issues with this proposal. We have noted several key points below

- **Vulnerability** – The categories of relevant vulnerable customers should be defined here as priority customers should not be using this technology. In addition we want to highlight that the notification has the potential of causing distress to some vulnerable customers where there is no issue such as in bereavement where usage has decreased.
- **Consumption Patterns** – The parameters of regular top-ups need to be debated and established in this context as customers will have different usage. The variance in customer's consumption patterns

throughout the year needs to be considered because it does not mean that there is an issue where an individual is not topping up regularly. Patterns of top ups may be influenced by consumption and seasonal factors and so it is difficult to develop a set process that takes this into account. Some customers save throughout the summer and build up credit on their meter and therefore will not be topping up as much over winter months and some customers may not be living in the premises when top up is not happening. It is very difficult to assess self disconnection.

- **Communication** – The CER needs to provide more information on the nature of the proposed communication to the customer. This could add confusion with the level of information provided to these customers. In this respect an explicit opt out option would also be necessary as many customers would not want to receive this communication. Similarly the timeframe of communication needs to be defined and applied uniformly across suppliers.
- **Energy Theft** – The requirement has not taken into account low usage due to meter tampering nor how to approach this with customers. SSE Airtricity is aware from looking at CER reports that some lifestyle PAYG suppliers are disconnecting PAYG customers if they suspect theft, yet there is no industry process for this.
- **Language** – The language is confusing with respect to the further requirement to take reasonable steps to establish communication with these customers as this presumably is an elaboration of the obligations rather than a further requirement itself.
- **Costs** – The costs of implementing this requirement would be significant given that it would largely be a manual process. We consider that the costs would outweigh any potential benefits given that the CER has not identified any issues.
- **Networks role** – SSE Airtricity suggests that the Network operators are better placed to assess if potential self-disconnection has occurred and if there are any issues at a site given that they actually visit customer sites and can identify any issues. They also read the meters which mean that they have the full information on consumption patterns. Guidelines for networks could be included in SSE Airtricity proposed Network handbook.

Q39. Respondents are invited to comment on whether the current requirements of this Code necessitate updating. Are there additional requirements that we should consider for inclusion? Please provide reasons to substantiate your view point.

SSE Airtricity suggests that the handbook needs to be updated with respect to the guidance provided for mental health during the vulnerable customer workshops meetings and subsequent conference calls last year. The absence of this could cause undue confusion for customers and new entrants alike.

Code of Practice on PAYG Metering and Budget Controllers

Potential barrier to switching

Q40. Do you agree with the introduction of the proposed requirement? Please outline reasons for agreement and disagreement.

SSE Airtricity is generally supportive of this proposal but would suggest that the wording is amended slightly as it suggests that at sign-up we need to provide customers with information about specific actions they have to perform if they decide to switch to another energy supplier. This may not be the most appropriate time to provide customers with such information.

Q41. Do you agree with the introduction of the proposed requirement and the associated method of implementation as outlined above? Please outline reasons for agreement and disagreement.

SSE Airtricity believes that it is premature to make any decisions on requirements in this regard as the market design processes currently do not address the matter of the issuing of the deactivation code. Accordingly are still waiting for the CER to issue guidance on this which will inform any discussions on these requirements. In addition the format and approach needs to be discussed further as a decision needs to be made on the timeframe between provision of the deactivation code and any potential marketing or retention/winback activities.

Separate to the switching process, SSE Airtricity believes an industry process is needed to deal with supplier interactions when customers with lifestyle meters choose to switch supplier. This could be developed through the Supplier Handbook or as a separate process.

Energy statements

Q42. Do you agree with the introduction of the proposed requirement? Please outline reasons for agreement and disagreement.

SSE Airtricity disagrees with the CER interpretation of the Energy Efficiency Directive 27/2012/EC with respect to the mandatory minimum requirements for PAYG billing frequency. Whilst we currently issue statements to these customers annually or on quarterly basis for those that are debt, we do not believe that more regular statements for this group of customers is on the spirit of the Directive. As way of example the Utility regulator in Northern Ireland has interpreted the EED differently and requires suppliers to send PAYG customers a statement at least once every twelve months. This is in an energy market where the prevalence of installed prepayment meter solutions is much higher at a rate of approximately 40%. Moreover we believe that one of the key selling points of the PAYG is that customers do not receive bills and as such we believe that more regular statements should only be provided on request. The increased frequency will result in added costs to suppliers which will ultimately feed back into the tariff for the customer. In addition to this we believe that the language of the requirement needs to be clarified or amended. Whilst we understand the intent with respect to the EED we believe that the wording needs to be clearer as it is taken directly from the Directive itself.

However, we support the issuing of information to PPM customers twice a year to ensure they receive similar information to that received by credit customers in relation to complaints management, contacting suppliers etc.

Q43. Respondents are invited to comment on whether the current requirements of this Code necessitate updating. Are there additional requirements that we should consider for inclusion? Please provide reasons to substantiate your view point.

As stated in previous sections, we believe that all the issues related to the PAYG sector need to be addressed in the context of this review.

Terms and Conditions of Supply for Household Customers

Deemed Contracts

Q44. Do you agree with the introduction of the proposed requirement? Are there other requirements that we should consider for inclusion in this section? Please outline reasons for agreement and disagreement.

SSE Airtricity would be generally supportive of the introduction of the proposed terms and conditions of a Deemed Contract. However it is inappropriate to require the inclusion of actual tariffs in the terms and conditions. In line with General Terms and Conditions the requirement should be to include where the customer will find the latest/applicable tariffs. Otherwise terms and conditions would require reprint/reissue every time a product or tariff change occurs.

Customer notification

Q45. Do you agree with the introduction of the proposed requirement? Are there other requirements that we should consider for inclusion in this section? Please outline reasons for agreement and disagreement.

SSE Airtricity requests clarity on whether the requirement for price change notifications is fulfilled by inclusion of a statement of the change on the bill or statement or if the requirement is to send a separate written notification each time there is a change. Price changes are becoming ever more frequent in the energy market which could result in multiple communications provided to customers in one year. In this respect we would suggest that the CER considers the significant operational and cost impact of separate written notifications which ultimately result in an increase in the tariff for customers.

Period of notice

Q46. Do you agree with the introduction of the proposed requirement? Please outline reasons for agreement and disagreement.

SSE Airtricity would be generally supportive of the introduction of measures to remove complexity in switching for its customers. However it is unclear how suppliers would be evaluated with respect to the requirement in its current format as it does not provide for any quantifiable standards. In addition we would suggest that this requirement would not have the same relevance in the commercial sphere where arrangements can actually be more complex and there is less focus on consumer protection measures.

Q47. Respondents are invited to comment on whether there other requirements that we should consider for inclusion in this section? Please provide rationale to substantiate your view point.

SSE Airtricity does not believe that other requirements should be considered for inclusion in this section.

CONCLUSION

SSE Airtricity welcomes the opportunity to put forward its views on the CER's paper on the Review of the Electricity and Gas Supplier Handbook. We believe that this review should reflect the changes that have occurred in the market since the publication of the original handbook and ensure that the requirements reflect both changes in legislation, market design and evolution in energy offerings in addition to any pending market projects. However we believe that the CER needs to carefully consider the following

- The CER needs to carefully consider how it would implement the proposed requirements for different types of supplier's representatives. SSE Airtricity suggests that non-exclusive relationships should not be part of this requirement.
- We are concerned that the CER has failed to set out requirements to address all the issues previously raised by suppliers in relation to the lifestyle PAYG market.

- The proposals in the area of improving customer participation do not the issues with non-engaging customers and may actually have unintended negative consequences for suppliers trying to compete against incumbents.
- Many of the proposals are not relevant or appropriate for the non-domestic sector.
- Given the vast number of significant changes proposed, the cost of implementation will be high.
- There needs to be a central repository for all suppliers' regulatory obligations.
- We consider that the Handbook should provide guidelines in the area of Meter Theft and Revenue Protection.
- The CER needs to consider the pending National Smart Metering project and smart metering handbook review.