



Gold standard

Many utilities are missing out on the best e-billing has to offer because they have failed to sign up to the industry standard, says Paul Martin

The ability of a supplier to provide electronic billing, or electronic data interchange (EDI), is often the second biggest factor when multi-site organisations select an electricity or gas supplier. It can also be a major customer retention tool. Although an industry standard has been around for years, it is surprising that some large utilities still do not use it, some utilities have not heard of it and currently only one water company can provide EDI using the industry standard.

The use of standards is universally agreed to be efficient and there are specific benefits for both the utility and the customer. For utilities, it offers: cost reduction; customer retention and satisfaction; faster payment; paperless billing; a reduced carbon footprint; and only one customer standard to deal with. Customers can benefit from: administrative cost reductions; the elimination of keying errors; the automatic population of energy management and accounts payable databases; and the fact that staff time is freed up as a result.

So how does it work? What normally happens

What is EDI?

EDI is the structured electronic exchange of billing information using common, open standards. The process is approved by Revenue and Customs and can be truly paperless. For the process to work effectively the utility and customer need to agree both a standard electronic format in which invoices are despatched and received and also a "code of practice" that deals with matters such as change control. What EDI isn't is the despatch of non-standard files or spreadsheets containing billing information.

The existing utility billing standard in the UK is called TradaComs 26 version 3. The standard is managed and developed by an organisation called GS1 UK (previously known as the Article Numbering Association). GS1 UK is part of the global GS1 organisation, which is responsible for bar coding, radio frequency identification and other electronic messaging standards used in supply chains throughout the world.

Utility adopters of EDI

Utility	Electricity	Gas	Water
British Energy	●		
Centrica	●	●	
Corona		●	
Eon	●		
Gaz de France	●		
Mobil Gas		●	
Npower	●	●	
SSE	●	●	
Shell Gas	●		
Yorkshire Water			●

is that the utility will collate multi-site customer bills into a batch or "bulk" bill. This electronic file is fed from the mainframe billing software to a PC equipped with proprietary EDI software. This maps, processes, encrypts and despatches the bill to the customer by email. This is quick, easy and cheap to set up, costing as little as £50,000.

When the customer receives the bulk bill, it is unencrypted, authenticated, automatically checked and populates the organisation's energy monitoring and targeting system. Correct bills are automatically sent to the company's accounts payable system where payment is made by Bacs. The whole process takes minutes.

The table, above, shows which utilities use the industry standard TradaComs 26 version 3.

There are notable omissions from the list and Yorkshire Water, which is the only water company to use the standard, is considered an exemplar in its sector.

The intention now is to convert the format into XML (eXtensible Markup Language), which is a widely supported open technology for data exchange and promises more flexibility.

GS1 UK recently facilitated a discussion among utilities, commercial and public sector consumers, and software providers on whether a progression to XML is appropriate. There was unanimous support for the initiative. As a result, GS1 UK has set up the Utilities Special Interest Group to develop GS1 XML electronic messaging standards for the sector. The first step is to collate the needs of all the stakeholders, and this is likely to progress to an agreed new utility billing standard next year. ●

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