

Billing using Electronic Data Interchange – and changes afoot

Paul Martin of TEAM explains what EDI (Electronic Data Interchange) is and the changes that are happening to make it more flexible and reliable



Paul Martin is the MD of TEAM and the Chairman of the Metering and Monitoring Group of ESTA. TEAM have been providing EDI bill processing software for both utility companies and consumers for over 15 years

The ability of a supplier to provide electronic billing or EDI is often the second

biggest factor when multi-site organisations select an electricity or gas supplier. Although the industry standard has been around for years, and indeed is used by many utilities, it's somewhat 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. For the first time in many years there are changes afoot which should make the standard more flexible and reliable.

So what is EDI and its benefits?

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 supplier and customer need to agree a standard electronic format in which invoices are despatched and received. The existing utility billing standard in the UK is called TRADACOMS 26 version 3 and is managed and developed by an organisation called GS1 UK*.

What EDI isn't, is the despatch of non-standard ASCII files or spreadsheets containing billing information.

EDI has specific benefits for both the consumer and the utility.

The benefits to the consumer are:

- administrative cost reduction
 - elimination of keying errors
 - frees up staff time
 - automatic population of energy management and accounts payable databases
 - compliance with some Performance Indicators (local authorities)
- The benefits to the utility are:
- cost reduction
 - customer retention and improved

- satisfaction
- faster payment
- paperless billing
- reduced carbon footprint

How does it work?

The utility collates multi-site customer bills into a batch or 'bulk bill'. Instead of sending a paper bill, the electronic file is mapped into the TRADACOMS standard, encrypted and dispatched by email to the customer.

The customer receives the 'bulk bill' where 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 can take minutes.

Who complies with and uses it?

Utility companies that use the industry standard TRADACOM 26 v 3 for billing are listed below:

Utility	Electricity	Gas	Water
British Energy	✓		
Centrica	✓	✓	
Corona		✓	
E.ON	✓		
Gaz de France	✓		
Mobil Gas		✓	
npower	✓	✓	
Scottish and Southern	✓	✓	
Shell Gas	✓		
Yorkshire Water			✓

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

British Telecom was the first consumer in the UK to use EDI and indeed was instrumental in its development in the mid 90s. However, it's not just large multi site organisations such as BT, banks, and the retail sector who use EDI. Many central government departments, local authorities, buying consortia,

health authorities, emergency services and housing associations use it.

So what changes are afoot?

It has been recognised for some years that although the industry standard TRADACOMS format works well, time has moved on and improvements can be made by converting this into an XML (eXtensible Markup Language) format, which is a widely supported open technology for data exchange. The major advantage of using XML is its flexibility. XML document types are not predefined but rather defined by the user. XML also provides a robust and verifiable file format for the storage and transmission of text and data sent either via the Internet or via other communication means.

As the improvements could 'inherit' all the good work that has gone into the messaging standard in the past, it should not be difficult to convert existing systems to accommodate a progression to XML, the movement for change seems to be catching on. Indeed one buying consortium is currently using its own version of an XML format with a few utility companies.

GS1 UK has recently facilitated a discussion with utilities, commercial and public sector consumers, as well as software providers on whether a progression to XML is appropriate. The public sector organisation, The London Energy Project**, also supports this progression. Following an initial meeting in May this year there was unanimous support for the initiative from those present and agreement to move forward. As a result GS1 UK has set up the Utilities Special Interest Group (USIG) 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.

*GS1UK is part of the global GS1 organisation dedicated to the development and implementation of global data standards and solutions for the supply chain. For more information on USIG please visit www.gs1uk.org/standards/USIG_groups.asp

**The London Energy Project was set up to review London authorities' energy procurement processes and identify strategies and promote best practice within energy procurement.