

ACS Submission – Backbilling in the NI Retail Energy Market

ACS (the Association of Convenience Stores) and Retail NI welcome the opportunity to respond to the Utility Regulator’s consultation on Backbilling in the NI Retail Energy Market.

The nature of convenience retail, with long operating hours, intrinsic use of refrigeration and other equipment, means that energy costs are a significant burden. The costs of energy are a critical factor in the viability of a convenience store businesses and it is therefore crucial that the non-domestic market, particularly microbusinesses, are included within the scope of Utility Regulator’s backbilling project and not further burdened by long back billing time limits.

We welcome the Utility Regulator’s proposals to introduce a new licence obligation to protect consumers from backbilling. We would welcome the consistency that this would bring among energy suppliers and the further protection it would provide customers. ACS has previously called for back billing time limits to be introduced as a licence obligation. While we understand that energy suppliers have worked on creating industry agreed standards to address this, there should be more active involvement from the regulator to ensure this is robust, adhered to and, if necessary, enforced.

3. Do respondents agree that any limit to backbills for gas and electricity should be 13 months for gas and electricity?

We welcome the Utility Regulator’s proposals to introduce a new licence obligation to protect consumers from backbilling limit. We agree that the licence obligation should refer to the length of time that the backbilling period can be extended to. ACS has previously recommended in our open letter to Ofgem that the backbilling limit should be set at six months in cases of supplier fault.

We believe that back billing periods should be reduced over time for all types of meters. We believe an absolute restriction on back billing is feasible in the future, particularly for smart meters. We recommend that Utility Regulator should consider holding additional reviews of the backbill licence obligation to ensure that the backbilling time limit can be further reduced over time.

4. Do respondents agree that any limit to backbills should be applicable to both domestic customers and microbusinesses?

Yes. We encourage the Utility Regulator to include non-domestic customers, particularly micro and small businesses within the scope of the backbilling limit. Many small business customers have no greater resource or understanding of energy markets than domestic customers. We believe it is extremely valuable for microbusinesses to be included within the scope of the project as it is particularly concerning that the length of smart meter back bill limits for microbusinesses varies considerably from 6 months to 4 years

- 5. Do respondents believe that Ofgem’s definition of “customer fault” is applicable to the NI energy market? If not, please provide clear rationale why or identify what additional factors/scenarios should be considered?**

We believe the definition should be consistent with Ofgem’s definition of customer fault.

- 6. Do respondents agree that any limit to backbills should be applicable to all payment types?**

Yes.

- 10. Do respondents agree that any limit on backbills should be enforced through the creation of a new licence condition?**

We support the creation of a new licence conditions for backbilling. We welcome the consistency a licence obligation among energy suppliers and the further protection it would provide customers. While we understand the energy suppliers may have adopted voluntary commitments to address the impact of backbilling, there should be more active involvement from the regulator to ensure this is robust, adhered to and, if necessary, enforced.