

Q1. Do respondents agree that where this consultation has an impact on the groups listed, those are likely to be positive in relation to equality of opportunity for energy consumers?

A1. We do.

Q2. Do respondents consider that the proposal around TPI transparency need to be refined in any way to meet the equality provisions? If so, why and how? Please provide supporting information and evidence.

A2. We do not as far as we can see.

Q3. Do respondents agree that TPI commissions being published on customer bills would increase levels of transparency for customers? If not please provide a clear rationale why.

A3. We agree but only with the provision that the supplier also disclose their sales and marketing cost element in the same agreed format, should that be pence per kWh, annualised cost or percentage. We feel that this would be in the best interests of fairness and balance.

Q4. Of those customers acquired via the TPI channel, can suppliers indicate what proportion have their commission paid on pence per kWh basis? Can suppliers clarify and provide data on other common models of commission used in NI?

A4. We cannot answer this as the question is for the supplier.

Q5. Do respondents agree that standardising the reporting of TPI commissions on customer's bills would increase levels of transparency for customers? If not please provide a clear rationale why; and if yes, how best would this be achieved.

A5. We agree but again with the proviso referred to in our answer to Q3. With regard to how best this could be achieved we feel that the commission cost, whether pence per kWh or lump sum payment, would be best shown as a percentage of the forecast annual spend of the energy only cost element or the total including all pass through charges excluding VAT. The same should also apply for the suppliers sales and marketing cost.

Q6. Of those customers acquired via the TPI channel, can suppliers indicate for what proportion they would have data on the level of commission being paid?

A6. We cannot answer this as the question is for the supplier.

Q7. Do respondents believe if a supplier is not aware of the TPI commission, the customer bill should include a general statement advising/reminding the customer that they may be paying commission and they should ask their broker for information on this? If not please provide a clear rationale why.

A7. We do not agree. In the unlikely event of a supplier not being aware of a TPI commission, that in all likelihood they have paid or continue to pay, then to make a general statement without full information has the potential to mislead or confuse.

Q8. What changes to billing systems - or wider systems and processes - would be required in order to enable the publication of TPI commissions on a customer's bill? Do respondents have any view of the difficulty and cost of these changes?

A8. We cannot answer this as the question is for the supplier.

Q9. What other difficulties should be considered when publishing TPI commissions?

A9. We feel that the forthcoming changes to customer bills brought about by the changeover from SEM to ISEM on 1st October will have the potential to confuse the customer. Any further changes to the customers bills will need to be carefully thought through to ensure there is not the opportunity for further confusion.

Q10. To what extent do respondents believe all the difficulties highlighted with this proposal can or cannot be mitigated? Are the difficulties outweighed by the potential customer benefit?

A10. We feel we are not sufficiently qualified or informed to answer this question.

Q11. Do respondents think that a requirement on suppliers to include TPI commissions on customer bills should be voluntary, or mandated through a new licence obligation? What would respondents see as the issue with each approach?

A11. We feel that in the absence of an agreed code of practice for TPIs and or Brokers any form of mandated obligation is the wrong way to go at this stage and could be fraught with difficulties . We would prefer, if it is found by the Utility Regulator that there is a requirement, that the suppliers should be allowed to include any commission information on a voluntary basis.

Responses by Gordon Harvey on behalf of HU Energy. 28 August 2018