

Question No.	General Comments in regards to the:	Response
1	<p>Are there any other options that have not been considered in this consultation paper that you think require further investigation?</p> <p>If there are other options, please provide details and reasons for your views.</p>	<p>The options included in the paper are limited to existing scenarios and do not consider billing by the lines companies or another agency.</p> <p>In particular if lines companies purchase smart meters and hold the information it would make sense for them to be able to bill the consumer direct, arrange for switching of retailers and deal with any queries, after all they are closer to the customer than the retailer is.</p>
2	<p>Do you agree with the Commission's short-listed proposals (option 3 and option 4)?</p> <p>Please provide reasons for your views.</p>	<p>No. Our preference is Option 1.</p> <p>For consumers to have to refer to a separate website or ring a retailer to determine a breakdown of their invoice is not customer friendly. Many consumers will not have internet access, or may find telephone support frustrating.</p> <p>The argument that unbundling detail on the invoice would make it harder for retailer to develop innovative products is a “non sequitur”. Unbundling would simply mean that consumers would know what they are being charged for each component of their accounts and it would not restrict retailers in their efforts to make innovation in the components over which they have control.</p> <p>The obvious way to get consumers to change their consumption habits is by showing them how much it costs them to consume electricity at peak hours and what savings they can make by changing their consumption habits. Unbundling will not discourage this.</p> <p>The argument that increases in retailer disclosure would increase costs and put upward pressure on prices is unsupported by evidence from any IT expert in the paper. In contrast, telecommunication invoices are able to itemise every fixed rental component (line charges) as well as the variable components (peak, offpeak). This illustrates that the technology is available therefore the “too hard” or “limits innovation” excuses should not be reasons used not to unbundle.</p>

		<p>The suggestions that a more complex bill will result in consumer confusion and ‘increase customers search and switching costs’ and that it ‘could make it harder for customers to compare offers’ is a patronising approach. If this is the case how on earth do customers deal with their telecommunications invoice?</p> <p>Unbundled accounts will not prevent consumer watchdogs from analysing them and providing comparative costs.</p>
3	Do you consider that there is a net benefit to customers of advertising the existence of this information on the Commission’s website on invoices?	<p>There must be some benefit to those customers who are able to access the website. However this should have no bearing on the issue of unbundling on the invoice.</p> <p>One specific outcome that the Commission must seek to achieve under section 172N of the Electricity Act 1992 is to minimise barriers to competition in the electricity industry for the long term benefit of end-users. It is rejected that unbundled bills may make it hard for consumers to compare offers and reduce competition, in our view the more information that is available to consumers the better able they are to make informed choices and ultimately encourage electricity costs to be subject to sustained downward pressure.</p>
4	Do you see any implementation difficulties with meeting this proposal?	<p>It is not in the retailers interest to ensure the consumers know how their prices are escalating while lines company increases are very modest in comparison, therefore they will argue strongly that it is ‘too difficult’, ‘increased cost to consumers’, and ‘limits innovation’.</p> <p>Yet the technology appears to be available to unbundled the costs on the invoice (Mercury Energy is understood to already provide this to some level), therefore it is considered that Option 1 has been passed by due to unfounded assertions from retailers.</p>