ESTA – Best Practice Guide

EDI Billing – The Use of the TRADACOMS 26v3 Open Standard by Utility Companies

Produced by ESTA aM&T Group

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The Energy Services and Technology Association (ESTA) consist of over 100 members who supply energy management products and services to commercial and industrial consumers.

The aM&T Group of ESTA have specialists in metering, data collection and all the UK principal providers of Monitoring and Targeting software. These software systems are capable of receiving and processing energy invoices through electronic billing. ESTA aM&T Group members supply approximately 80% of the Monitoring and Targeting (M&T)/Energy Accountancy software in the UK.

The UK standard for electronic billing or Electronic Data Interchange (EDI) is the TRADACOMS 26 version 3 format. The custodian of the standard is GS1 UK (formerly the Article Number Association) who are also responsible for other electronic standards such as bar codes and radio frequency (RFID) operations, and represents the UK on United Nations standards committees.

ESTA aM&T Group members endorse the TRADACOM 26 v3 common open standard for utility billing over paper billing or non-standard CSV files in the UK and encourages its adoption by suppliers and consumers.

Benefits to the consumer

- Reduction of costs through the elimination of paper billing
- Consolidated billing with agreed change control
- Avoidance of associated errors of manual data input
- Approved end to end electronic and paperless processes
- Uniformity and professionalism to utility invoice processing, which has been enjoyed throughout other business sectors

Benefits to the utility company

The benefits to the utility are largely the same as for the customer and described above. Some additional benefits include:

- One standard is cheaper and simpler to support rather than different format requests from each customer
- Increased speed of customer payment
- Improved customer satisfaction

The utility companies that provide TRADACOMS 26 standard billing include:

Utility Company	Utility	Format
Business Stream	Water	TRADACOMS v3
Centrica	Electricity	TRADACOMS v3
Centrica	Gas	TRADACOMS v3
Corona Energy	Gas	TRADACOMS v3
Dong Energy	Electricity	TRADACOMS v3
Dong Energy	Gas	TRADACOMS v3
E.ON	Electricity	TRADACOMS v3
E.ON	Gas	TRADACOMS v3
Engie	Gas	TRADACOMS v3
Engie	Electricity	TRADACOMS v3
Haven Power	Electricity	TRADACOMS v3
Mobil Gas	Gas	TRADACOMS v3
npower	Electricity	TRADACOMS v3
npower	Gas	TRADACOMS v3
Opus Energy	Electricity	TRADACOMS v3
Severn Trent	Water	TRADACOMS v3
Scottish and Southern	Electricity	TRADACOMS v3
Scottish and Southern	Gas	TRADACOMS v3
Scottish Power	Electricity	TRADACOMS v3
Smartest Energy	Electricity	TRADACOMS v3
Three Sixty	Water	TRADACOMS v3
Total	Electricity	TRADACOMS v3
Total	Gas	TRADACOMS v3
Yorkshire Water	Water	TRADACOMS v3

Benefits of adopting TRADACOMS 26v3 instead of CSV Files:

TRADACOMS	CSV
TRADACOMS 26 v3 is the only UK utility billing standard. Controlled and enforced by the independent standard organisation GS1 UK	No standard
Approximately 95% of processing software is common, thereby reducing costs of implementation and time to deployment	Costly non-standard CSV files require bespoke software development for each supplier
Change control management is governed within the TRADACOMS "Message Interchange Agreement"	With CSV files the utility company is in control of the format and can change the "invoice" format without warning which can "break" consumer systems, leading to processing delays and non-payment of bill
The TRADACOMS format is flexible enough to support the breakout of all charges for full bill checking and validation	CSV file structure would have to be changed to accommodate full breakout of charges
Supported by all major utilities, consumers and ESTA aM&T Group	Not supported
Easier to move to a new supplier	Not easy to move to a new supplier

Note:

TRADACOMS is designed to accommodate all audit and VAT aspects in line with HMRC requirements where proprietary formats are not.

What to ask for in your tender?

The following paragraphs has been produced so it can be copied and pasted into your tender Terms and Conditions for the supply of electricity, gas and water.

Electronic Data Interchange (EDI) Invoicing – Suggested words for Tender Requirements

The paragraphs below has been produced in response to numerous customer requests for wording that can be put into utility tender documents to reflect UK electronic invoicing industry 'best practice'.

Below (in italics) is some suggested text you may wish to copy and paste to include in your electricity, gas and water tender requirements to ensure your chosen supplier provides EDI messages in the preferred format.

Electronic Data Interchange (EDI) - Invoicing

Electronic Data Interchange (EDI) is the preferred invoicing method to apply to all utility expenses.

Contracts are awarded on the understanding that invoicing is provided to the following agreed operating procedures and protocols which will be supported by suppliers. The correct application of EDI impacts directly on the allocation of our costs and resources. Failure to adhere to these procedures and protocols may result in the non-payment of invoices.

EDI Message, Operating Procedures and Protocols.

EDI messages should be compliant with the UK utility invoicing standard, namely: TRADACOMS File Format 26 ('Utlbil') Version 3 (see Note 1) message standard as laid out by gs1uk www.gs1uk.org . Any differing versions or message standards may apply by agreement only. All implementations should be accompanied by a 'Message Implementation Guide' (MIG), (see Note 2).

Invoices should be provided itemised by premise or functional location, VAT should be calculated at individual premise invoice level and summarised at file level.

This organisation interprets the provision of EDI services as a bulk invoicing process for which messages should generally be provided as follows:

- *Generated invoices are not to include arrears advice or other historical recovery charges.*

- *Typically a monthly process.*

- *A uniquely identified, (bulk) billing message compiled with agreed identification header and valid, single VAT record per 'child invoice' itemising each VAT rate.*

- *All invoices should clearly identify the applicable invoice, the invoice period and tax point dates.*

- *Detail records will include agreed premise identifiers, meter readings and derived consumption charges to fully match and support the bulk invoice and agreed contract charges.*

- *All detail charge records will be uniquely and individually identifiable as to the type of charge to which they apply.*

- *Detail records will include field indicators for account status (e.g. estimated, amended, final etc.)*

Visibility of all Charges

Contracts are also awarded on the understanding that there is a full visibility of charging within each invoice. This should be in sufficient detail to enable this organisation to check and validate the invoices and charge mechanisms prior to payment.

Full Credit, Re-Invoice

Full Credit, Re-invoice is an important accounting procedure considered as best practice within the utility sector. A credit should fully reverse the original invoice before any new invoice is submitted to replace the original invoice. A credit should not attempt to partially credit or change an original invoice. This procedure simplifies the invoicing process.

Change Control Procedures

Any request for variation or modification of the message content should be formally notified to this organisation in writing with at least one month's notice of desired implementation. All variation requests must be accompanied by a 'Message Implementation Guide' (MIG), providing full details of the requested change. This organisation may have to consult its IT department or 3rd party suppliers to make software modifications to accommodate any changes.

This organisation reserves the right not to accept these variations. Consent for variation would not be unreasonably withheld.

The preparation of all EDI messages and any invoice arrangements must be approved and be fully compliant with any taxation and HM Revenue & Customs requirements at any time.

Notes

1. TRADACOM 26v3 is the only UK utility invoicing standard. It was established in the mid-1990s and is now used by most electricity and gas suppliers (and one water company) to provide invoicing to multi-site organisations.

2. Message Implementation Guide (MIG) defines the content of a message and describes the usage of all necessary components. This is important to understand the detail of charging elements and coded values that would be used by the organisations energy Monitoring and Targeting (M&T) system to check the bills. It would also be used when passing data to the organisations Accounts Payable system.