

Cabinet Report – Energy Procurement

Appendix 1 – Service Level Evaluation

Yorkshire Purchasing Organisation (YPO)	Inenco	West Mercia Energy (WME)
Can a dual fuel energy contract be provided?		
No	Yes	Yes
Do you carry out invoice validation checks and if so please provide details as to what these checks include?		
<p>Invoice Validation is carried out by the applicable supplier, based on a built in tolerance. YPO does not currently carry out an invoice validation service.</p>	<p>Inenco propose to deliver a copy invoice validation service which provides a robust and repeatable solution aimed at maintaining an accurate database, ensuring you have been invoiced accurately, identifying savings and generating relevant management information. A duplicate database is created on Inenco's IT system using information from previous billing records. This is used to receive copy invoices and perform the following validation checks: Bill is mathematically correct Correct supplier is listed Correct unit rates are charged Correct fiscal meters billed Correct VAT/CCL applied Meter readings follow from previous bill.</p>	<p>Checks are carried out on each batch to check supply details, account Number, contract dates, <i>consumption against expected profile demand within the tolerance set, readings checks that the meter readings and read dates follow on from the previous reading.</i> Fuel preference & rates are checked to <i>ensure that the fuel preference is as per customer's request, and that the rates are correct.</i> Unit rates are <i>checked to ensure that the unit rates received from the Supplier match the rates accepted at contract review point. Likewise standing Charges are checked, billing periods and VAT rates are reviewed.</i></p>

Please identify how and when 'pass through charges' are checked?

YPO Gas and Electricity Framework suppliers (British Gas and Npower respectively) check the Pass through charges as the point when annual Billing rates are released and YPO carries out a sense check on these before distribution of Billing rates.

Inenco have not provided any details how pass through charges are checked.

WME carry out the following pass through validation:

DUOS (Distribution Use of System) - *Levied by the distribution company to cover the cost of distributing the electricity.*

TUOS (Transmission Use of System) - *Payment to the National Grid to transmit the electricity from the generator to the local Suppliers'.*

BSUoS (Balancing Services Use of System) – *Payment to National Grid to recovers the costs of balancing the System.*

Dloss (Distribution Losses) - *the electricity lost in the distribution network due to heat in the wires.*

Tloss (Transmission Losses) – *the electricity lost in the transmission network due to heat in the wires.*

CCL (Climate Change Levy) – *the government's tax on energy usage.*

RO (Renewable Obligation) - *Government Levy the government's subsidy for renewable generators.*

Imbalance Risk – *Payment to the Supplier to balance the customer's expected future demand with the supply.*

FIT (Feed in Tariff) – *Payment for Government Scheme to incentivise on-site renewable energy.*

Supplier Management Fee – *To cover supplier administration costs and profit.*

DC/DA (Data Collection/Data Aggregation) – *To cover the cost of collecting reads and preparing the data for billing.*

Do you carry out portfolio reviews with clients - if so please provide details?

<p>British Gas (Gas) and Npower (Electricity) will carry out annual portfolio reviews with you as standard. In between the annual reviews you will have a named dedicated account manager at the applicable supplier, and at YPO, should you need to make amends or discuss changes to your portfolio. Account Managers and YPO are available to discuss your portfolio over the phone or email, but all parties are also happy to facilitate and travel for face to face meetings where requested.</p>	<p>The “options” portfolio enables organisations to split total volume requirements over a number of different strategies to achieve maximum flexibility. Experienced Energy Procurement Advisors provide guidance regarding the appropriate blend of risk and reward aligned to our organisational business drives. The council would have to select how to balance its overall portfolio between four options, capped, fixed, trend & prompt.</p>	<p>Quarterly reviews are carried out with the account manager to assess: Portfolio supplies and volumes, Additions to/removals from the contract, Void properties, Accounts in query and summary of progress, Any site works jobs, Supplies with no actual reads > 6 months, General service, Weekly market review reports, Personal over sight of contract by Director with regular reviews of contract performance (quarterly), Assistance with budget setting, Link to specialists at suppliers.</p>
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Do you provide electronic billing – if so please provide details?

<p>Electronic billing is available from British Gas for Gas invoicing and Npower for Electricity. The format can be discussed and arranged with your Account Manager at the applicable supplier.</p>	<p>The energy suppliers will provide the council electronic billing and Inenco will receive electronic copies of all invoices which are uploaded onto their database for validation.</p>	<p>Electronic billing is provided by WME for both Gas and Electricity. The format is compatible with the council’s energy management database. Non Invoice information is also provided to the council for Academies that pay via Direct Debit.</p>
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Please provide details of any customer meter reading processes and general communication.

<p>Customers can record meter reads to our suppliers in a number of different ways. British Gas and Npower accept meter reads by email or phone. There is also access to online Supplier portals, where meter reads can be entered. The Customer Account Managers can accept individual reads or large spreadsheets</p>	<p>Given the size of the Cheshire East portfolio it is a minimum requirement that the suppliers can readily accept site meter readings.</p> <p>No information has been provided on how readings can be communicated to the energy providers.</p>	<p>WME are leading the sector with the highest number of actual reads used in billing. To support the robust validation process and to ensure accurate billing WME encourage customers to take regular meter readings. WME issue monthly email read reminders intervals to:</p> <p>Maintain an independent record if there is a billing</p>
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<p>covering a number of meters in order to meet your needs.</p> <p>YPO and our suppliers each provide a dedicated named account manager for our customers, in order to provide a proactive and consistent service. Contacts are available by phone and email, and are also available to visit Cheshire East for meetings when needed.</p> <p>The Information communicated is dependent upon the situation, and could be related to your specific portfolio or process improvements. The communication may also relate to Industry changes. YPO is dedicated to providing customers with the information they need to help manage their Energy Portfolio. YPO host regular customer meetings to suit customer needs and disseminate industry information, but examples include Electricity Market Reform and Competition in the Water Market.</p>		<p>dispute with a supplier</p> <p>To validate gas and electricity bills using actual read data</p> <p>Avoid paying estimated bills</p> <p>Encourages good 'housekeeping', resource management, and energy management</p> <p>The data can be used to encourage and monitor energy reduction schemes</p> <p>To maximise the number of actual reads used in billing.</p> <p>Link to Cheshire East Council's energy management energy database, Systemslink, to extract reads from system directly before internal validation and subsequent submission to suppliers.</p> <p>Feedback to customers when irregular meter readings have been submitted.</p>
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Do you provide site works – if so please provide details?

<p>YPO do not provide site works and these are not covered through the Gas or Electricity frameworks. However, these services are available from British Gas and Npower, and could be discussed with your dedicated Customer Account Manager.</p>	<p>No information has been provided regarding the provision of site works by Inenco.</p>	<p>WME will manage site works for the provision of gas and electricity installations.</p>
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Do you offer any rebates or share of any trading gains?		
<p>YPO customers can apply to become an associate member of YPO. In this membership scheme, customers can earn money back on their turnover spent through YPO frameworks.</p> <p>Cheshire East could also build a rebate into the Energy costs provided to that Authority's sites if this is of interest.</p>	***	<p>WME provide rebates and a share of trading gains proportionate to the size of its portfolio.</p>
What, if any, unique services do you provide to your clients?		
<p>At YPO we believe that the level of interaction we have with our customers is unique. We hold regular group meetings to understand the requirements of customers so that we can formulate future strategies and procurement exercises, and these meetings allow customers to network with other customers.</p> <p>The YPO Energy team also release a monthly newsletter alerting our public sector customers to changes to legislation within the Energy Industry and how this could affect their portfolio. We also use the newsletter to inform customers of new Energy Frameworks, and innovation in the energy sector which our customers could benefit from.</p>	None indicated	<p>WME issue a monthly meter reading request email to all users with a link to Cheshire East energy management database.</p> <p>WME issue "Notification of Charges" email to all users with a link to a customer user's page providing access to a complete history of customer billing.</p> <p>Weekly market review reports are provided.</p>
Annual fees		
£56k	£98k	£50k