

Mr Nigel Nash
Head, Market Infrastructure
Ofgem
9 Millbank
London SW1P 3GE

19 November 2007

Dear Nigel

Modifying the gas and electricity supply licences for the use of objections in the non-domestic market – Final Proposals and Statutory Consultation

I refer to your consultation of 22 October 2007.

We support the revised proposals to the gas and electricity supply licences resulting in the contractual objection rights being based on the contract in place when the loss notification is received. In our response of 7 September 2007, to Ofgem's earlier consultation, we urged Ofgem to provide guidance to the market relating to the practice of re-contracting, which continues to be a valid business practice. Although Ofgem in this latest consultation specifically recognises our proposal, there is no acknowledgement as to what action Ofgem intends to take to address this proposal. We can only reiterate that this is necessary to mitigate the risk of any future dispute arising and seek Ofgem's commitment to pursuing this further.

In terms of your proposal not to amend the licences for deemed contracts, we reiterate our earlier response, which is that an industry solution is necessary to address this inevitable problem. As it stands all customers will pay the price for defaulting deemed customers.

This consultation additionally seeks the views of parties relating to whether the limitation on the use of objections gives rise to a significant incidence of erroneous transfers. We request that this matter warrants further consideration and in the first instance is tabled at Ofgem's non-domestic working group.

Should you need any further information, please do not hesitate to contact me on 07789 570 445.

Yours sincerely

Ceri Hughes
Senior Regulatory Manager