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Dear Neil,

Proposed Retail Market Remedies Consultation

Thank you for the Opportunity to respond to the above consultation. As you are aware, Good Energy is a small electricity and gas supplier providing sustainable solutions to UK retail energy customers. As your consultation has no formal questions, we have highlighted each of the key proposals in turn with our views on them.

Overarching Standards of Conduct

We are in agreement in principle with the overarching principles as set out, and we have no strong feelings as to whether options 1 or 2 are chosen as the route of implementation. We do however suggest that the phrase “we expect suppliers to take ALL reasonable steps...” Should have the word ‘All’ removed as some steps would be duplication, and it is difficult for suppliers to ensure they have considered all possible reasonable steps.

Additional billing information

We are supportive of customer’s bills including tariff name, and clear indicators where information is based on estimated data. However, we believe that proving Annual Consumption data in £ & kWh is likely to add to confusion for three reasons. Firstly, given suppliers are already mandated to provide quarterly comparisons on bills we believe this is duplication of effort. If Ofgem wishes to proceed then

the requirement to produce the quarterly comparison should be removed. Customers primarily want clear, precise bills, and bills are already cluttered with extraneous information in different formats.

Secondly, the proposals are not clear how this information would be presented where the premises has either had a change of supplier or occupant. If part year information is provided, then this has the potential to make customers underestimate their usage.

Finally, this is likely to require changes to billing systems. The changes to include quarterly comparisons were a significant cost to us as a small supplier. Continued changes to the billing requirements are a cost that are ultimately borne by customers, and customers of smaller suppliers will pay a higher proportion than those of the big 6.

If Ofgem wishes to proceed with this, then we believe it should present a cost/benefit analysis of the proposal which includes impact on smaller suppliers.

Annual statement

Suppliers need to differentiate themselves by their standard of customer care. We believe that it would be a better use of resources if suppliers were required as a minimum, (but free to do more), to contact customers once a year with a generic message to remind them of their right to switch, the switching guarantee, their supplier's fuel mix (as already mandated elsewhere in the licence) and what to do if they are dissatisfied with the service received.

To provide the customer specific information as suggested would be a significant cost both in development and ongoing cost, and the items are not of limited value because:

- Tariff name – already on bills (assuming change suggested above implemented)
- Annual and projected consumption in kWh - already on bills if mandated above, but misleading in cases of CoS or CoT, thus doing more harm than good
- Annual and projected consumption in £ - In addition to the issue around kWh, currently most suppliers are engaging in two to three price changes a year, so any information given has limited value and will add to confusion in our experience.
- Premium paid – Not sure how you define premium, but a green tariff is a green tariff, it is not generally a standard tariff with a premium.

We are also strongly opposed to producing an annual statement, every time there is a detrimental change in T&Cs. Unlike the big 6, we cannot rely on the press to announce our price changes and as

such strive to inform customers prior to the event. Currently, we write to every customer a generic letter informing them of the change with an explanation why, and a revised tariff leaflet. A process that takes 8 weeks from a decision to change prices, to the date of implementation. If we were to be mandated to provide the information as set out in the document, then we would need to run the billing system twice for every customer (prev. consumption first, and then again with new prices for a projection). We estimate the process would then take 12 weeks, and cause significant disruption to our routine billing process, and subsequent cash flow. A three month period between recognising the need for a price change and implementation is too long in the current unpredictable energy market, where price changes can be required quickly and several times a year.

Of all the proposals, this one is that could undermine the ability of smaller suppliers to compete. We would be happy to discuss this further with you should you require.

£ per Year

As mentioned above, we believe this information is misleading for several reasons. These are:

- Price changes occur two to three times a year, and could therefore mislead customers
- Are only beneficial to customers who have been with a supplier for 12 months (i.e. No CoS or CoT), and could lead customers to underestimate if part year data is used.
- The chances of a years data with actual readings at both start and end are, until smart meters are widespread unlikely to happen

Debt Blocking

Good Energy supports the principle that objections on the ground of debt should not be allowed if the debt has been caused by an error on the part of the supplier. We are also amenable to the idea of suppliers been required to offer debt and energy efficiency advice to any customer who's attempt to switch is objected to for reasons of debt.

We do not support a blanket ban of the right to object on debt grounds where the customer cites they are switching due to a unilateral change in T&Cs by the supplier. Given the frequency of price changes, we believe this is a charter for "won't pay" customers to keep avoiding paying bills. If Ofgem wishes to implement this then it should be limited to a debt level (e.g. less than £20) where a supplier may not object. Above that level, the supplier may continue to do so. If the blanket ban is imposed, the Good Energy would have no choice but to pursue debt payment more vigorously.

Doorstep selling

We fully support these proposals but would seek clarity as to whether this includes “shopping centre sales”, as the likelihood of a customer being able to provide the necessary information for comparison away from their home is remote.

Small Businesses

Good Energy strongly supports the ban on automatic rollover onto another fixed term contract, as Good Energy has had several potential small businesses withdraw due to being faced with draconian exit fees from their old supplier. We are also aware anecdotally of several small businesses finding themselves in two fixed term contracts and having to choose the exit fee of either their previous supplier who has rolled them over, or their new supplier whom they have recently signed with in good faith.

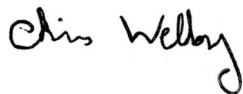
We also support the other recommendations regarding small businesses.

Enhanced regulatory reporting

Regulatory reporting has minimal economies of scale, and as such poses a far greater proportionate burden on smaller suppliers than larger suppliers. We would be grateful if Ofgem would limit reporting by small suppliers to that which is required to monitor their actions. Reporting which is required to monitor the market as a whole, gets no benefit by the inclusion of data from small suppliers, and as such smaller suppliers should be exempted from providing this data.

I hope you find this information helpful. Should you require further information please do not hesitate to contact me.

Yours sincerely,



Chris Welby
Commercial Director