



Neil Barnes
Ofgem
9 Millbank
London SW1P 3GE

T 01394 388500
F 01394 387100
E mail@navetas.com
W www.navetas.com

17A Deben Mill Business Centre
Old Maltings Approach
Woodbridge IP12 1BL

May 2009

01 Dear Neil

ADDRESSING UNDUE DISCRIMINATION – FINAL PROPOSALS

Navetas Energy Management Ltd welcomes the opportunity to comment on the Ofgem's final proposals for addressing undue discrimination. The focus of Navetas is on bringing innovation to the energy supply industry. Its value lies in its deep understanding of the energy supply market, its unique experience – especially in the field of smart metering and its independence.

Though a number of the issues raised in the final proposals document are not the expertise of Navetas, we felt a short response was required.

As we have said before, Navetas very much supports Ofgem's principal objective to protect the interests of consumers by promoting effective competition. We at Navetas believe this should always be the primary objective of an independent regulator.

We are therefore disappointed with the final proposals that have been put forward. Our view is that it would be difficult for consumers to understand any justification for discrimination in pricing unless it was explained fully to the consumer with a clear timetable of how they would get back to normal standard tariffs. Other than claw back monies owed for energy already used Navetas can see no other justification for discrimination in pricing. Allowing cost differentials to be passed on, even at cost, does not encourage costs to be reduced. This is most obviously seen in prepayment.

As we also outlined in our response to the initial consultation the importance of new metering technology cannot be overstated. New technology providing greater information will help to increase innovation and competition to help bring prices down. This could be the solution to a number of the issues raised by discriminatory pricing. Navetas does not believe that Ofgem have fully taken into account the impact that new technologies could have on discriminatory pricing.

I hope these comments are helpful and should it be required we would be pleased to follow up with you or your team in person or via the telephone.

Yours sincerely

Chris Shelley

Chief Operating Officer

Navetas Energy Management Ltd

