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Ofgem
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11 October 2010

Dear Meghna,

Consultation on proposals for amending Standard Licence Condition 23 - Period for notifying unilateral contract variations and other consequential issues

Thank you for the opportunity to respond to these proposals. As you are aware, Good Energy is a small, non vertically-integrated supplier currently with over 26,000 electricity and 3,000 gas customers.

1. What are your views on our "minded to" position of requiring domestic suppliers to give customers Notice of a unilateral variation at least 30 calendar days in advance of the date on which the variation takes effect? Please provide any data/information to substantiate your views where appropriate.

Good Energy strongly supports the belief that customers should be notified of price increases in advance of them taking place, but we disagree with the focus of these proposals.

The energy market is subject to periods of volatility and as such the ability to inform customers of retrospective price changes has been as useful contingency should an emergency price change be required. For Good Energy – and other non vertically-integrated suppliers – to lose this contingency because some of the Big 6 suppliers have seemingly abused this allowance would be detrimental to the market.

Much of the energy procured by small suppliers is often sourced on the open market – and due to the associated relative cost - means that energy is only able to be procured on a much shorter timescale. This is exacerbated for companies like Good Energy, with a 100% renewable portfolio where up to 50% of our trades have to be carried out in the short term market place. This may mean that ad-hoc, or unexpected price changes are sometimes a complete necessity.

Small suppliers and more so suppliers trading with a large renewable portfolio also do not have the same ability to insulate themselves – either through vertically integrated generation or by longer term purchase agreements – against turbulence within the market. As such, we believe that the SLCs should be amended to impose the 30 day requirement upon vertically integrated suppliers, but allowing for specific exemptions for small suppliers. This could include a requirement to notify the Authority, where they are unable to give 30 days notice and the reasons for doing so.

2. What are your specific views on the proposed consequential amendment to retain paragraph 23.6(a) of the SLC 23 such that customers have a 20 working day period from the date of a price increase (or other variation) takes effect to notify their supplier that they would like to switch in order to avoid the application of a price increase (or other variation)? Please provide any data/information to substantiate your views where appropriate.

We believe that this is an acceptable amendment. In light of our proposal above, it would be pragmatic to set it to the date the change takes effect or date of notice whichever is later.

- 3. What are your specific views on the proposed consequential amendment to sub-paragraph 23.6(c) of SLC 23 (and sub-paragraph 14.9(c) of SLC 14) such that customers in debt will have a 30 working day period to pay off outstanding charges from the date the customer receives Notice that the supplier intends to prevent them from changing supplier? Please provide any data/information to substantiate your views where appropriate.**

We are supportive of this amendment.

- 4. What are your specific views on the proposed clarificatory amendments to SLC 23 and SLC 24? Please provide any data/information to substantiate your views where appropriate.**

While Good Energy does not currently offer fixed-term contracts or therefore impose termination fees upon customers, the proposed amendments appear logical, and indeed if it supports the small and medium sized business customer allowing them to avoid being penalised for not renewing contract then this would be a significant step forward.

- 5. What are your specific views on the proposed one-month time frame for implementing these proposals? Please provide any data/information to substantiate your views where appropriate.**

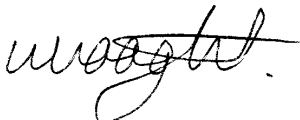
Firstly, we do not know when the final decisions are to be available and what the final requirements are to be. In addition, the amendments will require significant changes to process, procedure and materials – both in how we manage our price changes and the terms we offer to our customers. One month is unachievable. We believe the implementation could be successfully engrained within three months – again, depending on the publication of the final proposals – but deem that 1st April 2011 should provide the best suited, practicable, timeframe. This will allow suppliers to successfully fulfil all the appropriate change controls required.

- 6. What are your specific views on the minded to decision not to propose any amendments to 15 Working Day Period for the supplier to receive Notice under the Master Registration Agreement /Network Code? Please provide any data/information to substantiate your views where appropriate.**

We agree with this approach. However, as stated in our original response the SLC23 consultation, we do not see why the 'losing' supplier should continue to supply a customer at a potential loss, simply because the new supplier is tardy in applying to take over the customer's supply.

I hope that these comments are useful. Should you have any additional questions, please do not hesitate to contact me.

Kind regards,



Will Vooght
Regulatory Affairs Officer.