

Our ref :
Your ref :

Nigel Nash
Ofgem
9 Millbank
London
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7th July 2003

Dear Nigel

Customer Transfer Process

I am writing with regard to the above discussion document, and am pleased to provide the views of East Midlands Electricity.

East Midlands Electricity recognises that the current level of customer complaints regarding the supplier switching process is unacceptable, and that the industry must work to find solutions. Distribution businesses have a significant role in the industry processes that support customer transfer between competing suppliers, but the primary causes of the problems customers are experiencing are not within the DNOs' control.

We do believe, however, that distribution businesses have a role to play in facilitating an appropriate industry solution, and are happy to provide input to expert groups as appropriate, and EME's Managing Director, Bob Taylor, has been nominated to represent DNOs on the project's Supervisory Executive Board. In addition, there are some initiatives that can be undertaken at minimal cost to help suppliers address some of the data quality issues that they are facing, and EME has taken the lead in this area.

We would, however, urge Ofgem to ensure that any solution driven by the industry project is subject to appropriate cost benefit and risk analysis prior to implementation. In addition, where the costs of any solution fall must be given proper consideration. DNOs should not be expected to fund the changes that this project might implement from existing capital allowances – instead new, appropriate funding must be provided.

In summary, EME is recognises that the current problems with the customer transfer process need to be resolved, and that the industry must work together to deliver timely, cost effective

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solutions which have been subject to appropriate risk analysis, and which are funded appropriately.

Yours sincerely,

Lesley Queripel
Regulatory Strategy Manager