

Dear Sirs,

With reference to OFGEM's consultation "Electricity Distribution rebates to suppliers" our response is as below:-

In our view some electricity distributors are clearly working the system for their own financial advantage. By setting high distribution tariffs and subsequently making within year rebates to suppliers, distribution companies are gaining an unfair financial advantage from interest earned on money which rightfully belongs to end consumers, whilst at the same time avoiding regulatory penalties for over recovery.

We understand that Distributor's (DNO's) are making rebates to suppliers nominally on a per MPAN basis - we are very sceptical that this is valid. We believe that DNOs wish to pay rebates to suppliers on a per MPAN basis purely for reasons of administrative simplicity.

We would urge OFGEM to consider whether or not rebates should be paid on a per MPAN basis or (as we believe) whether they should be made on a per kWh/per kVA basis.

We find it astonishing that OFGEM does not refer to DNO's by name in its consultation and instead identifies the companies as "DNO A", "DNO B" etc. Why has OFGEM done this? The result of not identifying DNO's by name is that despite reading OFGEM's consultation document carefully we continue to be in the dark as to the extent we have been a victim of this practice. We urge OFGEM to publish the names of the relevant DNO's without further delay.

In our view OFGEM should also contact suppliers to establish whether refunds made by DNOs to suppliers have subsequently been rebated in full to end consumers - especially those end consumers (such as Corus) which have consistently contracted on the basis of a pass through of DUoS charges. Our understanding is that DNOs have made rebates to suppliers by way of lump sums and therefore has consequentially not been repaid to end consumers. If this is confirmed by OFGEM's investigation, you should appreciate that we along with most I&C end consumers will find this whole episode deeply disturbing.

Finally once its investigation has been completed we believe that OFGEM should give careful consideration to fines for relevant DNO's if relevant also for suppliers.

Please confirm receipt of this submission by return e-mail.

Yours faithfully,
John Mathers
Energy Supplies
Corus UK Ltd
Tel 020 7975 8347