

The British Gas logo consists of the words "British Gas" in a bold, black, sans-serif font. To the right of the text is a stylized flame icon, which is a black silhouette of a flame with a white outline, pointing upwards and to the right.

Ian Anthony  
Electricity Infrastructure Manager  
Ofgem

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APPEAL

1st October 2004

Dear Mr Anthony,

**British Gas reply to comments made to the Appeal against a decision of the MRA Forum regarding MCP 0144**

British Gas is pleased to have had an opportunity to review the responses from other suppliers and energywatch in connection with the above Appeal, and we wish to add the following comments to address some of the views that have been expressed.

Obviously it is reasonable that customers who use electricity and have been billed by the supplier should pay for the service they have received. Where a customer seeks to avoid payment, by changing supplier, the incumbent supplier should reasonably be allowed to restrict transfer until all billed debt has been paid. Of course, unless a bill has been issued there can be no debt; in such circumstances, there would be no grounds for objection.

As the deemed contract objection rules would apply equally to all suppliers, no supplier would be able to use them to gain a competitive advantage. However, bad debt affects all suppliers, small and large alike, as confirmed in Utility Link's response. Potentially, not being able to control debt in this way is likely to impose a disproportionately greater disadvantage on smaller suppliers and new market entrants.

Similarly, all suppliers should be able to respond to a request to prevent a transfer, when so instructed by the customer (a Customer Requested Objection 'CRO'); this is simply good customer service.

In conclusion, if MRA CP 0144 is rejected by Ofgem, suppliers will continue to be able to object only in those circumstances, which have been clearly specified in the deemed contract eg. debt or CRO. Where a customer, on a deemed contract, has no debt and has not requested the supplier to object, the transfer could not be blocked or delayed on such grounds. The ability to manage and reduce debt, and provide a customer focused service is of benefit to all suppliers and customers; hence our continued rationale for seeking rejection of MRA CP0144.

We are available to attend any oral hearing convened in relation to this Appeal or to discuss these points further with you.

Yours sincerely,

Kevin Woollard  
British Gas MRA Contract Manager