

economypower

Ian Anthony Esq
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27th September 2004

Dear Ian

Appeal Response: BG Trading against MRA Forum decision re MCP 144

Thank you for your opportunity to respond to you in the above appeal. Economy Power is one of the smaller supply companies in the UK and supports the appeal by British Gas.

- We are concerned about MCP 144 - in particular to its likely impact on premises subject to a 'change of tenancy'. EP's focus is towards the SME market where there is a higher incidence of CoTs than that prevailing in the domestic market. There is often a real problem in securing payment from new tenants following such changes. Attempts to contact some of these tenants proves fruitless and efforts to de-energise are often met with a refused entry. The customer therefore has to remain on a deemed contract while a resolution is sought. If the right to object on the grounds of debt were to be removed, then in order to mitigate our risk, we would have to consider de-energising at the time of the CoT. This 'solution' would be expensive and inconvenient to new tenants, most of whom act in good faith and respond to our communications.
- If de-energisation cannot be achieved for whatever reason, then any unrecovered debt would have to be factored in to all our tariffs thereby creating an unfair premium for the bulk of our customers.
- The tariff rates applicable to deemed contracts would be very unlikely to reduce because debt collection costs and unrecovered debts in this area would undoubtedly rise.
- The opportunity for abuse of notification of a CoT would be likely to increase. It already occurs in connection with customers on fixed term contracts, and would certainly increase if the 'objection on debt' provision was removed.

We hope these comments are helpful but should you wish to clarify any points, please do not hesitate to call. Contact no. 02920 204400.

Yours sincerely

Robin Fuller, Finance Director Economy Power.