



Local Authority and Government Utilities

Resource

Mr Ian Anthony
Electricity Infrastructure Manager
Ofgem
9 Millbank
London
SW1P 3GE

1st October 2004

Dear Sir

MCP 144

The Local Authority and Government Utilities Resource (LAGUR) is a lobbying and Educational body representing the Public Sector and multi-site organisations in the private sector and we would like to offer the following observations regarding the above:

Our members understand the reasons for the initial decision and the raising of the objections and if there were a way to leave the two parties to make their own arrangement, as in an initial contract, we would support this. Clearly this is not possible and therefore we would support the 3rd option, in that objections should not be permitted in any circumstances.

The main reason for reinstating the right of objection is given as, it is an effective debt recovering tool. We are looking here at a problem which exists in part because the incoming tenant is being charged greatly in excess for his energy, in comparison to what he would expect to be paying. This is a factor in causing the debt. Perhaps if deemed contracts were to carry a reasonable unit price for a period of say 3 months to allow both parties to either enter into a new contract or to allow the tenant to arrange a new contract with a new supplier, the issues may be greatly reduced. Following this period new penalty charges could be applied.

From consumers experience it is clear that the objection process, when in being, was abused by certain suppliers and used as a tool to retain their customer base and there is no indication that this would not happen again.

Eastern Shires Purchasing Organisation, a member of LAGUR, has also responded in a very full way and we would support the views expressed in that submission.

Yours sincerely

R Sinden
Co-Founder