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Dear Ian

Transfer Objections Under Deemed Contracts for Non-Domestic Customers

ScottishPower welcome the opportunity to comment on the above issue. We believe that transfer objections within both the electricity and gas markets are appropriate and that suppliers should have the ability to raise an objection to the transfer of a customer supplied via a deemed contract.

We recognise that the use of deemed contracts should only be used as a temporary measure to enable supply until a customer enters into a specific contact with a supplier, however we also recognise that deemed contracts are widely used throughout the industry for longer periods.

The ability to object to a deemed contract customer transfer should not restrict the movement of customers from one supplier to another, therefore the ability to object should only be possible in defined circumstances i.e. on the grounds of debt and where the following criteria had been met.

- The customer has received a demand for payment prior to the transfer notification and that any monies owed stills remains unpaid in line with the current debt objection guidelines.

By ensuring that guidelines exist in relation to transfer objections for customers on deemed contracts the key elements of supply competition would not be affected and the following circumstances would remain:

- The ability of a supplier to raise an objection to a transfer on the grounds of debt would not prevent those customers who pay promptly exercising their right to join their supplier of choice.
- The present incentive on suppliers to negotiate specific terms and conditions with the customer would not be affected

- Suppliers would be obliged to identify the name of the person responsible for paying the bill for the premises they supply.

In addition suppliers would have a degree of comfort that they would receive payment for the goods and services that they have supplied before a customer transferred to their supplier of choice.

It is regrettable that the current situation in relation to MRA CP144 has developed through an oversight of the consequences of amending the wording in the Gas Supply Licence. We support the view that full harmonisation of both markets must take place and that any future amendment provides adequate and consistent guidelines on how suppliers operate within the current market.

We do not believe that providing suppliers with the ability to object to customers moving in the circumstances described above would hinder legitimate switching activity by non-domestic customers nor be anti-competitive in any way.

Should you wish to discuss any issues further please contact me by return.

Yours sincerely

Euan C. Norris
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