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Kiera Bower
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Dear Kiera,

Re: Consultation on Prepayment Meter Regulations in accordance with paragraph 6A (4) of schedule 2B of the Gas Act 1986 (as amended) and paragraph 12 of Schedule 7 of the Electricity Act 1989 (as amended).

Thank you for providing this further opportunity to comment on Ofgem's decision to progress these prepayment meter regulations, and the content of those regulations.

British Gas has been closely involved with this process from the outset, and has set out its views on these regulations during the previous consultation exercises. Given the limited changes to these regulations since Ofgem's previous consultation exercise, our response largely repeats the key points that we have already made. These are:

- We broadly support the principle of collecting customers' debts from a previous address(es) through a prepayment meter installed at a current address. This has in the past proved popular with customers, and providing that the additional consumer safeguards within these regulations do not prove to be too burdensome, we would hope that that previous popularity could be repeated.
- Whilst we recognise that currently it is generally more costly to provide a gas prepayment meter over an electricity one, we believe that the option should still exist for electricity debts to be repaid through a gas meter.
- We recognise the potential that Option 2 – collection of gas debt and charges through an electricity PPM – could have on reducing costs, and are interested to see the extent to which suppliers and customers adopt this payment method, and the cost savings that result.

- We are disappointed that these regulations require a written agreement between the customer and their supplier. There is no evidence to suggest that such an agreement is necessary in order to protect consumers – indeed contrarily there is evidence to suggest that previous address debt collection works very well without such an agreement. We believe that the additional cost and complexity created by this additional regulation will serve to limit attractiveness of this payment option.
- Given that customers to whom previous address debt collection could be applicable will previously have defaulted on their energy payments, it is disappointing that the supplier to whom the debt is owed cannot implement a collection arrangement without the need for customer consent, and the additional cost of a written agreement. In such circumstances our preference would be for suppliers to have a right to proactively implement such a debt collection arrangement in the absence of a suitable alternative arrangement being agreed with the customer.

We have provided greater detail on all of these points in our previous consultation responses.

On a final point, it appears that there might be a drafting error in the draft gas SI. Within the Explanatory Note, the penultimate paragraph which references Regulation 4 states that “*The agreement does not need to be signed by the customer or the authorised electricity supplier.*” Given that this Explanatory Note relates to gas, we wonder whether the reference to “*electricity supplier*” should actually be “*gas supplier*”?

Should you wish to discuss any aspect in greater detail, please don’t hesitate to contact me directly on 0208 734 5356.

Yours sincerely

Chris Wright
Industry and Regulation Manager