

Philip Davies  
Director Retail Markets  
Ofgem  
9 Millbank  
London  
SW1P 3GE



7<sup>th</sup> September 2007

Dear Philip

**Modifying the arrangements for the use of objections in the non-domestic market for gas and electricity supply**

EDF Energy welcomes the opportunity to provide feedback on the issues set out in your recent letter.

We strongly support the views expressed in your letter that suppliers should not use the objection window to obtain and then rely on new rights to object. The objection window was never intended to provide a marketing opportunity for the incumbent supplier when the customer has contracted with a new supplier. We agree with the proposed wording set out in Annex 2 as it will prevent the misuse of the objections process. The increased clarity provided by this rewording should ensure that the transfer process works effectively without being open to misuse.

**Deemed Contracts**

We support the premise that in the majority of circumstances, suppliers with customers on deemed contracts should not be able to raise objections to the customer changing supplier. However, there is a specific scenario (which isn't currently available to suppliers) where the ability to object should be permitted.

Where there is debt on the account suppliers should be able to object to the transfer. Customers may have chosen not to contract with a supplier in order to avoid paying charges. This can have the effect of exposing suppliers to significant debt issues especially where there are pass through charges levied such as Agreed Supply Capacity (ASC). Where this specific scenario exists it has the potential to cause financial harm to suppliers and should be reflected in the revised licence conditions.

Should you require any further information please do not hesitate to contact me on 0207 752 2566.

Yours sincerely,

A handwritten signature in black ink that reads "Rosie McGlynn".

**Rosie McGlynn**  
**Retail Regulation Manager**  
**Energy Regulation, Energy Branch**