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Dear Philip

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

Thank you for your recent letter which asked for views on the use of objections and re-contracting in the non-domestic market.

In the letter Ofgem specifically asks for comments on its current view that suppliers should not use the objection window to recontract with the customer and then rely on new rights to object to the transfer. As stated in our previous response, we believe that an objection should only be made on the basis of the contractual conditions that exist at the time that the loss notification is received.

We believe that although it is clear that re-contracting activity benefits the customer, we do not consider it appropriate for the old supplier to sign the customer on new terms within the objection window and then use the new contract in order to raise an objection. Therefore we fully support Ofgem's current views.

The letter also asks for comments on the proposed licence drafting. We believe that the proposed drafting of the licence condition provides clarity in the circumstances in which a supplier can raise an objection and as a result should facilitate the switching process. We also agree that it is appropriate to modify both the electricity and gas supply licences as the rules should apply equally to gas and electricity objections.

Finally the letter asks for comments on whether or not the new licence conditions should apply to Deemed Contracts as well as other Contracts. We do not believe that there is any reason to treat Deemed Contract and Other contracts differently in this situation as an objection should only be made on the basis of the contractual conditions that exist at the time that the loss notification is received for all types of contract. Failure to do so may result in suppliers creating a reason to object for

deemed contract customers and then objecting to the transfer. Therefore, we would agree that the licence conditions should also apply to Deemed Contracts as applying the rules to Deemed contracts ensures that suppliers can not create a reason to object and then object to the transfer on these grounds.

I hope that the above comments are helpful. Please call if you wish to discuss them further.

Yours sincerely

Katherine Marshall
Regulation Manager