

Melinda Anderson

Subject: FW: Regulation of marketing to domestic customers

From: Kirby, Graham (Retail) [mailto:Graham.Kirby@eonenergy.com]

Sent: 18 March 2009 11:44

To: Neil Barnes

Subject: Regulation of marketing to domestic customers

Neil,

We support the extension of SLC25, but believe it should only be for one year.

Ofgem have identified a number of potential improvements to strengthen marketing regulation and we would expect these to be fully developed, consulted on and agreed within the next few months. There would therefore seem to be no benefit in an additional year's extension. The better regulation principles of targeting and proportionality suggest just a one year extension.

The evidence of the investigation of npower and the uncertainty over the potential application of the CPRs is sufficient to justify continuation of the marketing licence condition.

We have some concerns over the probe findings as a robust base of evidence. Our understanding is that the conclusion that up to 48% of switchers do not achieve a price reduction is not based on a precise like for like calculation (the methodology established by UEA) but on an analysis of standard tariffs only, with the supporting market research only asking whether customers believed they have saved money. We ask that Ofgem publish full details of its analysis to help inform debate.

Regards

Graham Kirby

Retail Regulation Manager