



Liz Chester
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Ofgem
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By EMAIL

Dear Liz

Proposed amendments to gas and electricity supply licence conditions in relation to the disconnection of vulnerable customers

We are pleased to confirm that we support Ofgem's view of the proactive steps which suppliers should take to identify whether customers are vulnerable. These steps are inherent to the ERA Safety Net.

In our response to Ofgem's consultation last October we said we had some doubts as to whether adding a further licence condition met better regulation principles. We are pleased therefore that Ofgem has assessed benefits which go beyond the ERA Safety Net (clarity to suppliers not signatory to the ERA Safety Net and when smart meters are installed) and accept the judgement that these justify further regulation.

We welcome Ofgem's decision that further licence modifications are not appropriate, although wish to clarify two points raised in the open letter of 26 March.

- I. The letter states that "our policy position is that any vulnerable customer who falls within the scope of SLC27.10 or SLC27.11 should not be without a supply of electricity of gas during the Winter." We agree with this objective. We would always reconnect a customer identified to be vulnerable after disconnection and would strive to reach agreement with any other customer to allow reconnection. However, Ofgem also say "we will apply this in considering any cases of compliance with these licence conditions." We do not agree that there can be an issue of compliance. SLC27.10 and SLC27.11 protect certain customer groups from the immediate consequences of disconnection in winter. As we explained in

our response to the October consultation, they do not protect customers from the consequences of not agreeing an offer which would allow reconnection. However, we believe that best practice in issues relating to reconnection can be agreed in the Debt & Disconnection Workshops.

- II. Ofgem's letter also states that "there is no longer any substantive difference between the levels of protection provided by the two existing licence conditions." We agree with this in respect of disconnection where a prepayment meter cannot be fitted, but not where fitting a prepayment meter only requires a customer's presence.

We would be pleased to meet with Ofgem to discuss these, or any related issues.

Yours sincerely

Graham Kirby

Retail Regulation & Energy Policy Manager