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Dear Ms Tewari

**Consultation: Proposed modifications to Supply Licence Condition 23: period for notifying unilateral contract variations and other consequential issues**

Proposal 1

We are reassured that Ofgem acknowledge there will be additional costs to consumers from the proposals, in operational costs to suppliers and additional risk. We accept that Ofgem has to make the decision as to whether these costs are justified by the benefits to customers.

Proposal 2

We welcome the change to the proposals to make the cut-off date for notification of a customer's intent to leave, the effective date of the increase. This is simpler and avoids an unjustified benefit to customers who 'play the rules.'

Proposal 3

We agree with allowing additional time for customers to pay off debt, but suggest that as the time limit is customer facing (rather than industry process based) it is amended to be in calendar days.

Proposal 4

We agree with no change.

Proposal 5

We welcome these clarificatory amendments. With regard to tracker tariffs, we suggest:

- If the supplier has discretion over whether to follow an increase in charges, then this is covered by SLC23 and application of a termination fee would need to be suspended;
- If the supplier has no discretion, then although there is no unilateral contract variation best practice would be to give a customer 30 days notice of the increase in order to allow time to change behaviour or budget for additional costs. A termination fee would be payable (an example product might be a 2% discount off Standard, with a termination fee if the customer leaves within a fixed period).

### Proposed time frame

Although implementation as early as February 19<sup>th</sup> would not affect our recently announced price increases<sup>1</sup>, a one month timescale could have the effect of being a retrospective regulatory change. Also, one month is very short for a change which has material consequences for supplier processes. However, in this case, we do not oppose it. We recommend that if Ofgem apply a one month timescale some discretion is applied.

Yours sincerely

Graham Kirby

Retail Regulation & Energy Policy Manager

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<sup>1</sup> We plan to give 30 days notice for those customers whose price increase has been deferred to April 1<sup>st</sup>.