

Response to 'The Retail Market Review: Non-domestic Proposals'

Originally formed at the University of Warwick in 1990's, the Consortium is a 'Not for Profit' organisation operating in the Education and Public Sectors; it has strong links with the Higher Education Funding Council for England (HEFCE), the Office of Government Commerce (OGC), and many other central government bodies. Currently the Consortium has over 190 Members for whom it's qualified energy purchasing personnel provide a range of energy procurement and other related services.

More recently the Consortium has been established a 'contracting authority' for the purposes of the UK Public Procurement Regime; it is therefore lawful for other public sector bodies to rely on framework agreements which it has managed and assembled using a proper competition for the provision of goods and services. Such public bodies will be able to rely upon the competitions which the Consortium has run to meet its best value obligations under the Local Government Act 1999, general EU obligations that some competition is required; and that it is a central purchasing body (CPB) under current procurement regulations.

The Consortium also offers flexible contracts for the supply of energy which have been evaluated and approved by the OGC.

The Consortium operates on a membership basis whereby access to its services is achieved by becoming a Member; this enables true transparency to be achieved and provides Members with the opportunity to assist with governance and direction of the Consortium.

CHAPTER: One

Question 1: Are there other key issues that we should be looking into in the non-domestic sector?

Yes, we believe that in view of the Carbon reduction agenda consideration should be given to reviewing the fairness of 'Take or Pay' clauses.

Consideration should be given to allowing Brokers to have (improved) access to XOSERVE/ECOES.

Question 2: What would stakeholders like to see on our website to help business customers and support a competitive supply market?

Suppliers with excessive numbers of objections/complaints should be tabulated and published on the OFGEM website.

CHAPTER: Two

Question 3: Do stakeholders agree with our proposals to extend the scope of SLC 7A to include a wider small business definition, and do you agree with our proposed definition?

Yes.

Question 4: Do stakeholders foresee significant costs or complications if we were to introduce our proposals? If so, please provide details and cost estimates.

No doubt there will be both costs and complications but we are not able to provide any guidance on this matter.

Question 5: Do stakeholders agree with our estimates on the number of extra businesses covered by our proposed definition?

We are unable to validate the estimate.

Question 6: Do stakeholders agree that we should review termination procedures and our current position that allows automatic rollovers?

Yes termination procedures should be reviewed and should go beyond SLC 7A, in our opinion some suppliers make it difficult for customers (or TPI's on their behalf) by creating tight termination windows or insisting on specific formats of termination. The consequences of banning automatic rollovers should be considered in association with the calculation of 'Out of Contract' rates which should not disadvantage either party.

Question 7: Are there other clauses that stakeholders believe we should be reviewing, in light of our expanded definition proposal?

Take or Pay

CHAPTER: Three

Question 8: Do stakeholders agree with the conclusions we have drawn?

Yes

Question 9: Do stakeholders agree that we do not need to make changes to SLC 14 governing objections to supply transfer for non-domestic suppliers?

From our experience we believe that consideration should be given to obliging suppliers that issue an objection notice to confirm receipt of delivery. In a number of cases objections have been issued to institutes in writing but have not reached an appropriate person or have been significantly delayed resulting in customers incurring significant 'Out of Contract' charges.

Question 10: Do stakeholders believe that we should publish our data relating to supplier objections on a regular basis?

Yes, until such point as the cost/benefit analysis indicates otherwise.

Question 11: Are there other issues with the objections procedure, other than the obligations of the licence condition, which stakeholders consider need to be addressed?

Not that we are aware of.

Question 12: Do suppliers who have voluntarily sent data have views on whether the data we currently ask for on a monthly basis needs to change and why?

N/A

CHAPTER: Four

Question 13: Do stakeholders agree that the introduction of a new supply licence condition focussed on sales activities is a suitable method to prevent harmful sales and marketing activities in the non-domestic sector? The Retail Market Review: Non-domestic Proposals 44

Yes

Question 14: Do stakeholders agree that this licence condition is necessary if Ofgem decides not to proceed with its Standards of Conduct proposals?

Yes

Question 15: Do stakeholders consider the introduction of an accreditation scheme for TPI Codes of Practice will reduce harmful TPI activities across the whole market?

Yes, and at some point in the future Ofgem may wish to consider an additional licence clause to ensure that suppliers only operate through accredited TPI's.

Question 16: What do stakeholders consider to be key criteria for an accreditation scheme for TPI Codes of Practice?

Honesty, Integrity, Transparency. We disagree with references to recorded telephone conversations as this may prove costly for some smaller TPI's; but we do believe that records of communication should be retained which transparently identify all benefits being received by the TPI.

Question 17: Do stakeholders believe it is necessary for TPIs to disclose their actual fee, or would making clear the fact that the customer is paying a fee for their services be sufficient?

The TPI should disclose their actual fee and all other benefits that may have been derived from engagement with supplier; including payment to the TPI for submitting an offer, preferential treatment/support by the supplier that gives the TPI a competitive advantage, trading agreements, etc. In a volatile commodity market with contracting decisions having to be taken within hours of an offer, such considerations may be obscured; therefore a statement only identifying that a payment is being made will not enable the customer to make a valid judgement. True transparency will provide maximum competition for the customer.

CHAPTER: Five

Question 18: Do you feel the revised SOCs will help to achieve our objectives?

Yes

Question 19: Do you agree that the SOCs should be in a licence condition and enforceable?

Yes

Question 20: Do you agree the revised SOCs should apply to all interactions between suppliers and consumers?

Yes

Question 21: Do you have information regarding potential costs this may impose on suppliers?

Yes

Question 22: Do you think these proposals should apply to the whole non-domestic market, or only a sub-set of it, eg small businesses?

The whole of the non-domestic market.

Question 23: Given your answers to the questions above, do we still need the licence changes proposed elsewhere in this document?

Probably.

End of Response

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