

Dear David Hunt (Head of Retail),

**Consumer Consultation**

While the efforts of OFGEM and others to reform the market should be highly commended for helping the domestic consumer of Gas & Electricity to make the appropriate decision for the most advantageous price for energy supplies I see a major defect as mentioned below:

The imposition of standing charge per day (which may be set by OFGEM) for having gas or electricity would work to the detriment of many vulnerable users who use small quantities of gas or electricity. These can amount to over £100 per annum per fuel.

For instance a single pensioner may only use gas for heating and hot water and for all other aspects use electricity. The pensioner would pay standing charges in summer months vastly in excess of charges for gas used !!

This at present can be dealt with by having a no standing charge deal which has a two rate charge for gas used i.e First 1000 KWH at 7p a unit and thereafter 3p a unit. The aim is only to recover the cost of meter and distribution etc.

Others offer a flat rate deal with no standing charge. These include EBCO and many others.

You recognise in your review that some vulnerable customers would be disadvantaged by standing charge structure.

Firstly, it makes no sense to prohibit suppliers such as EBCO offering a very simple flat rate of price per unit without any standing charge by OFGEM imposing a requirement to charge a standing charge !!!! Surely EBCO model would give consumers more choice and not less ??

Secondly, the BIG 6 suppliers should offer one deal that includes a flat rate offering without standing charge or twin rate deal that **ONLY** recovers the quarterly equivalent of the standing charge.

I trust you will take account of my representation in your final proposals.

Yours Sincerely

