



Tel: 01993 894 410

Email: info@ebico.co.uk

David Hunt
Ofgem - Retail Markets
9 Millbank
London SW1P 3GE

23rd April 2013

Dear Mr Hunt

RMR – Final Domestic Proposals Consultation Response – Ebico Limited

Here is the response to the Consultation from Ebico Limited, the UK's only not-for-profit electricity and gas company. Ebico was formed in 1998 to tackle issues of fuel poverty and has been active in the British home energy market since 1999. Our tariff, EquiGas / EquiPower, is particularly attractive to 'cash' customers, who tend to be on lower incomes, as we charge all our customers at the same unit rate, irrespective of payment method. We also have a zero standing charge and flat energy rates. As a small company we operate under a 'white label' basis to minimize our costs, utilising the supply license of SSE plc.

'White Label' Provisions

As a company which has a white label arrangement in place, we appreciate the additional time that Ofgem has provisioned for entities in our position to respond to a number of the proposed measures, and we can confirm that we intend to use this time to make separate representations. We do, however, have a practical concern regarding the application of the Supplier Cheapest Tariff Messaging (wide definition) requirement.

We promote EquiGas/EquiPower as Ebico's only tariff and emphasise its simplicity with it having no standing charge, flat energy rates and no tie-in period. If we are required to advise customers of another tariff which, as far as they are concerned, has nothing to do with Ebico and which **does** have a standing charge **and** a tie-in period **and** requires internet account management **and** probably a change of meter (since a higher than average proportion of our customers use pre-pay meters), then our customers will be confused, perhaps even annoyed, and their satisfaction levels are likely to decline. Given that all our customers have made an active choice to switch to us and we don't, therefore, have any 'sticky' customers, this seems an unnecessarily disruptive and confusing measure. We would propose, therefore, that Ofgem's exemptions available to white label entities be extended to include the Supplier Cheapest Tariff Messaging (wide definition) requirement.

Process to Migrate Customers

One of the alternative courses of action, which Ofgem suggests for a white label entity, is to secure its own electricity and gas supply license. Outwith the practical and commercial difficulties this path would present, we are concerned that, should Ebico consider this option, absent the supplier of the last resort procedures, there is no established mechanism for seamlessly transferring customers supplied, under a white label arrangement, with Licensee A to the newly-licensed Licensee B – even if all terms and conditions, other than counter-party name, remain the same. For Ofgem's suggestion to be commercially viable, such a seamless transition must be available. We urge Ofgem to consider ways in which such a transition could be supported including amending its Mutual Variations Notice proposals to provide for, in this circumstance, deemed acceptance.

Yours sincerely

Phil Levermore
Managing Director, Ebico Limited



Directors: Hugh Lee, Philip Levermore, Anne Mellanby
Ebico Ltd Registered Office: Witas House, Two Rivers, Station Lane, Witney, Oxon OX28 4BL
Registered Company No. 3507095

