

1. Whether you agree in principle with the proposal to introduce the new SLC, and your reasoning.	
	We do not agree that suppliers should be forced to incur the cost of administering the rebate. As mentioned briefly mentioned in the open letter, suppliers with a high proportion of pre-payment customers will be disproportionality affected due to the much costlier nature of carrying out this exercise. This could cause a 'material distortion of competition' that is aiming to be avoided by other parts of the proposal. As pre-payment has been identified costlier to implement then a subsidy should be given per prepayment customer rebated across all suppliers that brings it further in line with the cost of implementing the rebate for a credit customer. The SLC leaves uncertainty around the number of cycles of such a rebate e.g once every year for 5 years, twice a year for 2 years etc.
2. Whether the proposed approach to the rebate is appropriate to minimise implementation costs and achieve the objective of reducing the burden of some environmental policy costs.	
	We agree with a majority of how the rebate is being implemented however due to the acceptance that the cost of prepayment is higher, some further thought needs to be put into how this can be differentiated as part of the licence condition. The cost of providing a rebate for a pre-payment customer is almost instant. This is due to the fact that once the customer receives it, in most cases, they will use it top up their meter within a few days. The expected revenue therefore is lost quicker than a supplier could claim back the £12 from DECC. If the qualifying date is at the beginning of October and where the rebate is being added to a bill, potentially a supplier would be able to reclaim the £12 by providing evidence that the account has been credited but before a bill has been sent. This situation would in no way affect cash flow in the way it would for a mainly prepayment company.
3. Whether requiring all licensed electricity suppliers to provide the rebate to all of their domestic customers (without a <i>de minimis</i> bill threshold) is an appropriate way to provide for proportionality and not materially distort competition in the energy market.	
	We agree this point is fair and proportionate.
4. Whether there may be any unintended consequences in the implementation of the rebate in this way.	
	The unintended consequence as mentioned before is the distorting of competition due to the costlier implantation for pre-payment customers which will adversely affect any supplier that has predominantly pre-payment customers. In addition, in cases where a prepayment customer has changed supplier shortly after receiving the rebate, the new supplier will pay for the energy cost but the old supplier will receive the value of the rebate. In the case of a growing supplier such as Utilita this represents a significant expense that cannot be recovered.
5. Whether introducing a sunset clause and limitations to the SoS' directions is an appropriate way to provide regulatory certainty.	
	We agree a timescale is required to provide certainty the task will be completed by all.