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Rob Church
Partner, Retail Markets
Ofgem

By email

28 November 2014

Dear Rob,

Thank you for your letter of 27 November in relation to the recent announcements about gas prepayment overcharging. I can confirm that Better Energy accepts and is seeking to implement the agreed principles set out in your letter, and I have summarised below the specifics of our approach.

After considering the material available to us about this issue it is our understanding that customers will have been financially disadvantaged over time only if their gas accounts have not been reconciled using the actual daily calorific values (CVs) published for each region (as described in your letter of 5 August 2014). (Customers affected by incorrect meter CVs where reconciliations have taken place will have had to top up their meter prematurely to keep their gas flowing, but will have been reimbursed when their account was reconciled.)

I can confirm that Better Energy reconciles the gas accounts of our prepayment customers using actual CVs on each statement of account and that where a statement shows a non-trivial credit balance a prompt refund is made.

To be sure that our customers receive any amounts that are due to them we have scheduled an immediate reconciliation, and refund where applicable, using the latest available data for each of our live prepayment customer accounts (closed accounts were reconciled as they were closed). Refunds will, as agreed, include a generous estimate of the amount that the customer might overpay until their meter is known to be accurate. I expect these activities to be completed by the end of next week (5 December).

We are anticipating imminent confirmation of whether any of our customers' meters have incorrectly programmed CVs, and expect to replace or reprogram any that are affected during the month of December.

Yours sincerely,

Martin Thomas
Managing Director

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Better Energy Supply Ltd is registered in England and Wales No: 7176401. Our registered office is at 68 Musters Road, West Bridgford, Nottingham NG2 7PR.