

August 22, 2014

Dear Mr. Blagrove,

Consultation on the Supplier Guaranteed and Overall Standards of Performance

Please find Co-Operative Energy's response to the above consultation below.

Question 1: Do you agree that a GS should be created, replacing the existing OS, to cover the time taken for suppliers to reconnect customers disconnected for unpaid charges once the debt has been repaid/an agreement reached? Would the core requirements of the standard need to change from those set out in the existing OS standard?

Yes, as this would create a stronger incentive for suppliers to reconnect customers in this situation as quickly as possible. We believe that a 3 or 4 hour reconnection requirement would be suitable in cases of this type as the customer will be highly inconvenienced by being without power or gas. We also feel that it would be appropriate for failure to meet the new standard to be a requirement for customer compensation.

Question 2: Do you agree that the existing GS and OS should be merged to create a revised GS on acting quickly to repair or replace a faulty prepayment meter? Would the core requirements of the existing standard need to change, for example aligning the timeframes for visit?

Again, this would create a stronger incentive for suppliers to ensure that prepayment customers with damaged or faulty meters remain on supply. We believe that it would be most efficient to align the timeframe for both gas and electricity to four hours for both working and non-working days.

Question 3: Do you agree that the GS to cover the making and keeping of appointments by suppliers should be retained? Would the core requirements of the existing standard in this area need to change and, if so, how?

Yes, we agree that this should be retained in order to avoid inconvenience or financial detriment to customers as a result of non-attendance within the time window by the relevant supplier. We believe that the current timeframes laid out in the GS are sufficient.

Question 4: Do you agree that the GS for faulty metering should be retained? Do any of the core requirements need to change and, if so, how?



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Yes, as faulty meters can result in financial detriment to consumers in the case that these can be shown not to be functioning properly. There are also safety aspects to be considered. We believe that the core requirements currently contained within the GS are sufficient.

Question 5: Do you agree that the OS for resiting meters can be removed? How will suppliers manage requests from customers wishing to have their meters resited in the absence of a performance standard in this area?

We agree that the current specific licence protections for vulnerable and prepayment customers provide suitable reassurance in this area. We therefore agree that it would be reasonable to remove the OS for resiting meters. We would propose to deal with requests of this nature on an ad hoc basis as we clearly have a strong incentive to ensure that customer requests are met within reasonable timescales.

Question 6: Do you agree that the existing OS requirement for changing the basis of charging involving a change of meter should be removed? How will suppliers seek to manage requests from customers in the absence of a performance standard in this area?

We agree that the commercial incentives suppliers face in relation to arranging suitable payment methods for customers mean that this OS should be removed. We would propose to deal with requests of this nature as above, the same incentive to meet customer requests within reasonable timescales applies.

Question 7: Do you agree that the GS applying solely to customers served by an ex-PES supplier operating in their ex-PES area should be removed?

Yes, we believe this creates unnecessary distortions and is reflective of discrimination concerns which, while they may have been reasonable at the time the GS was introduced, are now no longer valid.

Question 8: We would welcome views along with supporting evidence on whether the revised GS should apply to micro business customers as well as domestic. We would also be interested in views regarding whether coverage should be limited to a subset of micro business customers and, if so, how any such subset might be defined, and whether only certain of the revised GS might apply to them.

Although Co-Operative Energy is a purely domestic supplier we believe that the burden of applying the revised GS to all customers meeting the current definition of a micro business is likely to outweigh the benefits, particularly as this may act as a barrier for smaller non domestic suppliers with it not being cost effective to deal with what, to the vast majority of businesses, will be relatively small sums as regards the compensation payments.

However, it may be worth applying these to the smallest (i.e. one or two employee) microbusinesses although we would suggest that Ofgem would be the best party to determine suitable eligibility criteria.

Question 9: Are there any areas of the regulations where you think the obligations should be clarified?

While we agree with Ofgem's proposal to align payment scales and options for gas and electricity, we do not believe that any further clarification is required beyond these changes.

Question 10: Do you agree that the definition of working hours should be aligned? If so, what should those working hours be?

We agree that it would be simpler from a compliance execution point of view for the definition of working hours to be aligned for gas and electricity. We believe that 8:00am to 8:00pm would be the most suitable definition for both.

Question 11: Do you agree that payment levels should be aligned and increased to £29 for all standards? What method should be used to decide revised payment levels going forwards and how frequently should this review take place? Do you think that it would be appropriate to set differing payment levels for differing GS accounting for the likely impacts when each GS is breached?

Yes, as standardisation of payments for both fuel types will make things simpler for suppliers from a process and execution point of view. It would seem appropriate for review of payment levels to take place every two to three years on the basis of a recognised inflation index such as CPI or RPI in order to ensure that the relative value of payments remains constant. We believe that it would be best to leave payment levels at a standard, uniform amount for each GS so that the efficiencies resulting from payment standardisation are not lost through a differential payment approach.

Question 12: If the revised GS are applied to both domestic and micro-business customers, do you agree that the payment level should be the same?

Please see our answer to Question 8 above. Should our recommendation be followed as GS payment eligibility be created for only the smallest microbusiness customers then this would seem appropriate.

Question 13: Do you agree that suppliers should be given flexibility in how to inform customers of their rights under the supplier GS? Are there other options for raising awareness more generally?

While it is likely that suppliers will continue, on a general basis, to inform customers of their rights under the supplier GS by means of their websites, we feel that more flexibility should be available in order to allow scope for innovation in this respect.

Question 14: Do you agree that suppliers should be required to provide information about their performance, with flexibility in how to do so, via the Regulations? How might suppliers increase transparency about their performance?

We believe that this would create a strong additional incentive for suppliers to meet their GS and OS obligations and use this as a means of differentiation in the same manner as complaints levels etc. Suppliers could potentially be required to publish this information annually on their websites alongside the GS and OS information.

I trust this proves helpful, please do not hesitate to Chris Hill (chris.hill@cooperativeenergy.coop) should you have any questions or require any further information.

Yours sincerely,

Steve Rowe
Head of Regulation and Compliance