



Jonathan Blagrove
Ofgem
9 Millbank
London
SW1P 3GE

Jonathan.Blagrove@ofgem.gov.uk

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Consultation on the Supplier Guaranteed and Overall Standards of Performance

Dear Jonathan,

SmartestEnergy welcomes the opportunity to respond to Ofgem's Consultation on the Supplier Guaranteed and Overall Standards of Performance.

SmartestEnergy has been an aggregator of embedded generation since 2001 and a supplier in the electricity retail market serving large corporate and group organisations since 2008.

We are generally of the view that the arrangements need to be cut back and made consistent, on the basis that competition should be relied on to improve standards. Ofgem should also note that their recently implemented Standards of Conduct mean that suppliers must meet acceptable standards which deliver fair outcomes for consumers.

Where it is deemed that Guaranteed Standards are still required in terms of standard compensation we are of the view that only a sub-set of microbusinesses should be covered by the arrangements. Please see our answer to Q8 for further details.

Please note that our response is not confidential.

We answer the questions contained in the consultation in the order in which they appear 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?



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www.smartestenergy.com

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We agree that this would simplify the arrangements, subject to our comments under Q8 on coverage for micro-business customers.

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?

We agree that this would simplify the arrangements, subject to our comments under Q8 on coverage for micro-business customers.

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?

We agree that this would simplify the arrangements, subject to our comments under Q8 on coverage for micro-business customers. It makes sense that the arrangements are made consistent with regards to applying only to domestic customers and a subset of micro-business customers i.e. remove the GS19 anomaly.

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?

Yes, subject to our comments under Q8 on coverage for micro-business customers.

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?

Yes

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?

Yes

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?



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We agree that competition has developed to such a degree that this is no longer relevant.

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.

We agree with Ofgem's observation that applying the revised GS to micro-business customers would increase the regulatory burden on small suppliers operating in the non-domestic market. SmartestEnergy has a very small number of micro-business customers who are either HH customers who have come to us on a Change of Tenancy or who are part of a basket deal arranged through a broker who have negotiated on their behalf. These types of customers could form part of the definition of customers who are not covered by the extension. Alternatively, the exemption could be expressed in terms of those on (lapsed) fixed term deals, rather than evergreen tariffs. It is not unreasonable to assume that customers on fixed term deals are actively and consciously engaged in the market and do not require domestic-style protections.

Question 9: Are there any areas of the regulations where you think the obligations could be clarified? Please explain why.

The document states that the Complaints Handling Standards Regulations cover any expression of dissatisfaction by a domestic or micro-business consumer and put certain obligations on suppliers for how they handle complaints. The extent to which it is intended for these regulations to apply to small suppliers in the non-domestic sector is unclear to us, especially given the coverage of the Ombudsman scheme.

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

We are generally of the view that this should be left to the individual companies to determine but in the current climate of ensuring common standards we agree that the definition of working hours should be aligned. We think it should be 8.00 am to 8.00 pm on each working day and 9.00 am to 5.00 pm on any other working day.

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?



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We feel that this might as well be rounded up to £30 and reviewed after five years, at which point the indexation calculation could start from the base of £29.

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?

Yes, we agree that if the customer is unhappy and wishes to seek compensation at a level higher than the GS they can use the existing complaints and redress mechanisms provided by the complaints standards and Ombudsman. Also, if, as we hope, Ofgem only include a subset of micro-businesses there would be less of a difference between the average domestic and average micro-business total consumption.

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?

Yes, we agree that suppliers should be given flexibility in how to inform customers' of their rights under the supplier GS.

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 there should be a threshold under which it is not necessary to provide information on performance as this would add to the regulatory burden.

Should you require further clarification on this matter, please do not hesitate to contact me.

Yours sincerely,

Colin Prestwich

smartestenergy

Head of Regulatory Affairs
SmartestEnergy Limited.

T: 01473 234107
M: 07764 949374



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