

Friday, 16 September 2016

Dennis Berg
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Ofgem
9 Millbank
London SW1P 3GE

Email: alisonrussell@utilita.co.uk

By email only

Dear Dennis,

Re: Statutory Consultation on the removal of certain RMR Simpler Tariff Choices

Thank you for the opportunity to comment on the above consultation. Utilita Energy Ltd (Utilita) is generally very supportive of the proposals in the consultation. We welcome the commitment by Ofgem to move forward in this area so promptly.

In respect of the CMA remedies, in our submissions we raised our concerns with some of the proposals in particular around the risks of tariff proliferation and other issues for customers in evaluating tariffs. Those concerns remain though we acknowledge that they are not the subject of this consultation. We agree that this consultation generally delivers the proposals as stated, however there may be further deletions that could reasonably be made. For example, we believe that with the removal of the core tariff restrictions, the restrictions and transitional provisions around dead tariffs could be reduced or removed. We hope Ofgem will consider further updates as soon as possible. We are also unclear on the reason for making provision for multiple standing charges which we do not believe would be required.

Ofgem's recent approach to enforcement of the licence conditions associated with CMA remedies has been constructive and practical; we welcome this pragmatic approach which we hope will continue. However, the complexities around for example Tariff Comparison Rates, Tariff Information Labels and many of the more prescriptive rules in the licence (such as conditions 23 and 31) are such that we encourage Ofgem to take forward work to address these areas as quickly as possible. For suppliers to respond to the removal of the RMR provisions in this Statutory Consultation, these conditions have to be taken into account. In the absence of change, they may continue to act as an unnecessary constraint or to drive system change that may not be required once consequential changes are completed.

There are a number of derogations in place at present, and we would welcome confirmation that all such derogations will remain unaffected unless the condition from which they derogate is removed. We would also encourage Ofgem as it considers further change to take account of the derogations previously issued.

We hope these comments have been useful and would be happy to discuss any points raised in more detail.

Yours sincerely,

By email

Alison Russell
Head of Regulatory Affairs