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**By email only:** [prepayment@ofgem.gov.uk](mailto:prepayment@ofgem.gov.uk)

25 August 2017

Dear Moritz,

### **Prepayment meters installed under warrant – statutory consultation**

Thank you for the opportunity to respond to your statutory consultation.

#### **Proposed licence conditions**

We welcome the further clarity added to some of the proposed licence conditions, particularly in relation to when a Relevant Warrant should not be exercised.

In line with this we feel that further clarity would remove any ambiguity in relation to licence condition 28B.2 which refers to costs associated with a Relevant Warrant. E.ON recommends that the wording is amended to make clear that these costs are for the application for and the execution of the warrant, and do not relate to any charges that may have been incurred prior to that point.

#### **Price cap and prohibition**

In our response to the policy consultation in November 2016, we requested clarity on the legal basis for the cap and prohibition within the existing framework of primary legislation. The response provided in the statutory consultation does not provide sufficient explanation of the reasons why Ofgem considers itself to have the power to impose such a cap.

The Electricity Act 1989 gives suppliers a right to recover any expenses following non-payment of charges to install a prepayment meter; however, current proposals would restrict those rights, even though there is no reference in the Act to the recovery of expenses being subject to supplier licence conditions.

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Although Ofgem's response mentions that, "the legislative framework gives Ofgem very broad licence modification powers to introduce such conditions as we consider requisite or expedient, having regard to our principal objective and general duties", we do not agree that the response justifies how it can restrict rights that suppliers have under primary legislation.

The Gas Act 1986 does make reference to the fact that recovery of charges is subject to licence conditions. Nevertheless there is clear intent in primary legislation to allow suppliers to recover all expenses and for the right to fit prepayment meters for debt. Ofgem's proposals would undermine parliamentary intent and we see no grounds for the right to do this.

We look forward to reading your response when your final decision is published. If you have any questions about our response please contact Lucy McMahon on 07815 701489, or email [lucy.mcmahon@eonenergy.com](mailto:lucy.mcmahon@eonenergy.com) and copy in our mailbox [regcomms-external@eonenergy.com](mailto:regcomms-external@eonenergy.com) as this is regularly monitored.

Yours sincerely,



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