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9th November 2015

Dear Will,

Corona Energy response to Energy Market Investigation: Supplemental Notice of Possible Remedies

Thank you for the opportunity to respond to the Energy Investigation: Supplemental Notice of Possible Remedies. We do not consider our response to be confidential and we are happy for the response to be shared with interested parties.

Introduction

Corona Energy (CE) is a shipper and supplier of gas and a relatively new supplier of electricity to the non-domestic market. Our customers range from micro-businesses and SMEs through to large industrial and multi-site customers. We do not supply domestic sites in either electricity or gas.

Main response to – issue (c) Should this remedy apply to domestic customer only, or should it also be extended to microbusiness customers?

We have concerns about introducing some of the measures in the supplemental notice of possible remedies. In particular:

- The remedies in section 21 should only apply to the domestic market (if at all).
- Given that it is currently not clear how the rate would be set, the proposal to introduce a default tariff for microbusiness customers could be very difficult to introduce, operate and even regulate. There is already an obligation on non-domestic suppliers to provide information about contract end dates, options for renewal and termination.

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- CE values bespoke pricing for microbusiness customers because they value the type of additional services we can offer (AMR and energy services). We therefore make additional contact with customers overtime to engage with them about our other services. The current requirements to provide information and our own commercial activity mean that customers have plenty of opportunity to engage with us.
- The microbusiness sector is far more engaged with suppliers than the domestic sector and any further changes to the microbusiness sector would likely incur further costs for CE.
- Although we are not a domestic supplier, we note that the four-tariff rule has not worked for that sector and we would oppose any form of default tariff for microbusiness customers.
- We publish and notify customers of our deemed rates. Introducing a default tariff that differs from our deemed rate would expose CE to greater risk as it would either be variable and difficult to manage or be set a level that potentially makes the microbusiness sector not profitable at all.

Yours sincerely,

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