

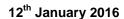


CMA Energy Market Investigation

Response to the Second supplemental Notice of Possible Remedies and the Addendum to Provisional Findings on the Revised AEC Relating to the Prepayment Segment

1 Introduction

- 1.1 This is the response of First Utility Limited (**First Utility**) to the Addendum to the Provisional Findings Report (**Provisional Findings**) and the Second Supplemental Notice on Possible Remedies (**Remedies Notice**) published or notified by the Competition and Markets Authority (**CMA**) on 16 December 2015.
- 1.2 We welcome the Provisional Findings and proposed Remedies and look forward to engaging further with the CMA on them. The **key points** First Utility would make in response to these documents are as follows:
 - (i) We largely agree with the observations the CMA has made on the current level of competition in the prepayment segment (**PPS**), but are concerned that the reasons highlighted do not amount to an adverse effect on competition (**AEC**).
 - (ii) That said, we welcome the underlying purpose of the proposed remedies to improve the capacity for suppliers to compete in the PPS if they choose, and so to increase customer choice within this segment. The CMA must however be careful that its remedies are both effective and proportionate. Central to bear in mind, is the rollout of SMETS2 meters following the Data Communications Company (DCC) release 1.3 due to be released later this year. Timings of remedies must coincide with this (and not before) in order to maximise customer benefits (of flexibility of payment mode, tariffs and less disruption re need for subsequent meter exchanges) and to progress the smart meter rollout as efficiently as possible.
 - (iii) The proposal to facilitate sharing of data related to prepayment meters (PPM) risks decreasing trust in the industry as too many communications from a range of suppliers may start to be viewed as junk or spam. Additionally it would have limited impact on increasing suppliers' interest in competing for these customers, since it doesn't change the commercial fundamentals and technical constraints around engaging in this segment.
 - (iv) We are also concerned about the CMA's proposed criteria for prohibiting security deposits. As responsible businesses we must assess if our customers can have access to credit: credit checks are to ensure the most appropriate payment option for customers reflecting their ability to meet their financial commitments beyond those of just energy.





- (v) The CMA should also be aware that eleven suppliers have now adopted the Point of Acquisition (POA) Debt Assignment Protocol (DAP) which industry is continuing to develop.
- (vi) We do not agree that the four-tariff rule adversely impacts the PPS the rule is on a per meter type basis.
- (vii) We remain concerned about the potential for a safeguard price cap, not only for the potential adverse implications for suppliers, but moreover that it would actually discourage customer engagement and their appetite to seek a meter exchange or to consider switching tariffs or even supplier. We consider below a potential alternative.
- (viii) Instead, by using Supplier Cheapest Tariff (SCT) and Market Cheapest Tariff (MCT) messaging on a quarterly basis in targeted communications (in additional to an annual statement), this would likely open up such dialogues about exchanging meters and switching tariffs: currently most suppliers only offer a single standard variable tariff (SVT) for their PP customers, which may lead some believe is the best tariff available that their supplier provides.
- 1.3 The remainder of this response sets out First Utility's views on the Remedies Notice.

2 Detailed comments and responses to the questions posed in Remedies Notice.

Remedy 19 – Facilitating sharing of data relating to prepayment meter customers

- (a) Would this remedy be effective and proportionate in increasing competition for non-smart prepayment meter customers?
- 2.1 We do not believe increasing the level of communications from all suppliers as a result of releasing this data would be an effective or proportionate measure to increase customer engagement, nor that it would actually increase that engagement. The disclosure of data and communications also risks causing customer concerns around privacy and risks further decreasing trust in the industry as well as that too many communications from a range of suppliers could come to be viewed as junk or spam.
- 2.2 The proposed remedy would also have limited impact on increasing suppliers' interest in competing for these customers since it does not change the commercial fundamentals and technical constraints for engaging in this sector.

An alternative information remedy

2.3 Instead, we would support a form of enhanced information remedy which would encourage those customers on non-smart prepayment meters (**PPM**) to consider meter exchanges, and all PPM customers to consider the supplier and tariff they are on.





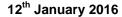
- 2.4 Most suppliers currently only offer a single SVT for their PP customers, resulting in customers potentially assuming they are already on the best tariff available as a result of the Supplier Cheapest Tariff (SCT) messaging. Our proposed targeted communications (in addition to an annual statement) would include SCT and MCT messaging and coincide with the rollout of Smart Metering Equipment Technical Specifications (SMETS) 2 meters. The inclusion of MCT messaging will also show even greater savings and therefore be a much stronger incentive to also consider switching suppliers, stimulating competition much further.
- 2.5 This ties in closely with our proposal as per our response to the supplemental notice of possible remedies on 23rd November, where we suggested a quarterly SCT & MCT communication to all Standard Variable Tariff (SVT) customers focusing solely on the benefits of switching tariffs and of switching suppliers.
- 2.6 Our suggestions for improving the market environment for indebted customers are covered in our responses below to Remedy 21 on the DAP.

<u>Timeframe for implementation</u>

- 2.7 We suggest that the time frame for implementing this remedy should be in 2017. This will ensure that in encouraging meter exchanges, the smart meter rollout is undertaken as efficiently and as cost effectively as possible, whilst also avoiding the risk of having to subsequently replace SMETS 1 meters again with customers who are already more difficult to engage with. At the current time, there is still uncertainty (and therefore risk) associated with SMETS 1 meters and their enrolment and adoption into the Data Communication Company (DCC). However, DCC release 1.3 is due to be released later this year, and this will provide for prepayment (PP) functionality with smart meters SMETS 2.
- 2.8 Suppliers will need some time for testing their SMETS 2 meters to ensure a robust process, but the incentive on suppliers to then install these will be significant: suppliers are already paying for the DCC service, resulting in a commercial incentive to encourage meter exchanges once SMETS 2 meters can be deployed. SMETS 2 meters will also be better for customers as they will be interchangeable between PP and Credit as required, and likewise will have full flexibility when changing tariff rates. This is a key benefit given the known current technical constraints resulting in only the standard variable rate being available for non-smart PPMs.

SMETS 2 benefits

- 2.9 As neither technical nor meter constraints would any longer impact the availability of tariffs to PPM customers, this would strengthen the SCT and MCT messaging as per our proposed enhanced information remedy. This would replace both Remedy 19 and Remedy 20c which we believe would be largely ineffective as discussed further in this response and where annual statements are already provided.
- 2.10 The use of SMETS 2 meters will therefore overcome the technical constraints faced by suppliers in offering additional tariffs, applying tariff changes, and the impacts this has on how the PPS sector is currently priced compared to the competitively priced DD market. As the





CMA has rightly identified, these market features are not faced by smart PPMs where there are and will be much stronger incentives on suppliers to compete to acquire PPM customers.

- (b) Are there additional legal considerations that are relevant to this remedy (eg under the Data Protection Act 1998 or the Privacy and Electronic Communications (EC Directive) Regulations 2003)?
- 2.11 Relating to legal considerations around data protection and privacy, there is insufficient detail to ascertain whether or not the proposed 'cloud' solution is in fact secure. As outlined in paragraph 22 of the proposed remedies, there are omissions such as to how the cloud platform would be deemed/certified secure, and by whom. Other concerns include:
 - a) What are the core infrastructure components of the cloud platform, and what encryption (and/or other security features) does it employ, including securing data in transit and at rest?
 - b) Who owns the cloud platform?
 - c) Where is the data hosted?
 - d) What backup and/or disaster recovery processes are in place to ensure resiliency? How frequently are these processes tested?
 - e) What security testing services and methods are used to test the robustness of the cloud platform? (e.g. penetration testing)
 - f) What data retention rules are applied to ensure that old data is removed?
 - g) How can we be assured that shared data is not then passed on to other third parties (e.g. via a supplier) where adequate data security measures are not in place?
 - h) What processes are in place to ensure that suppliers are disclosing their entire prepay customer data set rather than a selected range?

(c) Is Ofgem the right party to have oversight of this process?

- 2.12 If the CMA decides upon this remedy or an enhanced information remedy as we advocate, Ofgem should have responsibility for implementation. This would enable Ofgem to oversee the process to both monitor performance across industry to ensure compliance but also to ensure a level playing field between suppliers.
- Around an enhanced information remedy, we also consider that suppliers should be free as possible to innovate and test for themselves how best to engage customers with the messaging outlined in our alternative, with only the key pieces of information to include being mandated by Ofgem. This ties in closely with Ofgem's proposals around principles based regulation (PBR) enabling Ofgem to scrutinise and challenge supplier activity in this area against defined principles or outcomes: PBR should also consider how best and most appropriately best practice in this area can be disseminated, without a "one size fits all" bias emerging.



(d) What limitations would need to be imposed to ensure that the data was disclosed and used appropriately?

2.14 In addition to addressing the concerns we raise under (b) above, there needs to be appropriate technical security controls on the cloud platform: good password control, user account administration processes and audit tracking capabilities around how the data is accessed, used and downloaded.

(e) When should the continued need for this remedy be reviewed?

- 2.15 As covered in our answer to part (a), we do not believe a potential increase in the level of communications from all suppliers as a result of releasing this data would be an effective or proportionate measure to increase customer engagement, and are sceptical that it would of itself do so. The disclosure of data and communications also risks causing customer concerns around privacy and risks further decreasing trust in the industry by leaving some customers feeling bombarded by more than one industry party trying to encourage them to switch provider.
- 2.16 However with an enhanced information remedy as we have described under 2.4 to coincide with the rollout of SMETS 2 meters, this should be an enduring solution for all PPM customers.

(f) What might be a suitable frequency with which to share customer data?

2.17 As covered in our answer to part (a), we do not believe releasing this data would be an effective or proportionate measure to increase customer engagement. However an enhanced information remedy as per paragraph 2.4 as per the timeline in paragraph 2.7 would encourage customers on non-smart PPMs to consider meter exchanges, and all PPM customers to consider the supplier and tariff they are on.

(g) Should this remedy apply to prepayment meter customers with smart meters?

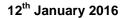
- 2.18 Remedy 19 should not be applied at all to any group given the lack of effectiveness it would have in stimulating competition at the same time as causing customer concerns around privacy and risking further decreases in customer trust in the industry.
- 2.19 However for an enhanced information remedy as described under 2.4 above, this could be applied to all PPM customers.



Remedy 20 – Removing the barriers that prepayment meter customers without a debt face when attempting to switch to a credit meter

Remedy 20a – prohibit the charging of a security deposit in circumstances when a customer is not in debt and has not incurred any fines, charges or interest for late payment in the last six months

- (a) Would this remedy be effective and proportionate in removing the barrier to switching that security deposits can pose?
- When customers apply to switch to First Utility or to exchange a PPM for a standard credit meter, a credit assessment is carried out on each and every application looking at customers credit file: if the customer is below the credit threshold, then we request a deposit. A full year history is very important given that financial commitments can vary over the time in the year especially with utilities, where energy consumption in the summer months is a lot lower than over the winter period. Furthermore, credit checking should also include any rejected payments and must be across a customer's full financial background, and not just focused on payments of utility bills.
- 2.26 It is therefore somewhat misleading only to focus on energy consumption (i.e. the CMA notes Ofgem's comments in paragraph 32 that 'it is difficult for PPM customers to demonstrate such a payment record due to the fact that they must pay before consumption'). We do not see this as material given that a credit checking process is much wider than simply looking at payment of energy bills, and instead considers the full credit profile of the customer.
- 2.27 The importance of credit checks is to ensure the most appropriate payment option for customers reflects their ability to meet their credit commitments beyond those of just energy. If customers have had difficulty in these resulting in either bankruptcy or a County Court Judgement, then permitting a credit solution may lead to further debt problems for the customer, the company and the wider customer base which will be used to recover the losses from elsewhere in the portfolio. Our security deposit process therefore not only helps customers avoid getting into repeat difficulty with debt, but also helps us to keep our costs and therefore customer bills low across our whole portfolio.
 - (b) Are these the right criteria to apply in determining circumstances in which suppliers can charge a security deposit?
- 2.28 We think that the right criteria to apply for prohibiting a security deposit could be:
 - where the customer is not in debt. and
 - where the customer has achieved a positive credit score that determines their suitability for credit





- (c) What are the potential unintended consequences of being explicit about when customers can be charged a security deposit?
- 2.29 If security deposits were restricted, we believe this would risk more customers facing renewed financial difficulty and debt management issues. However to put in context, very few of all our applications (across change of supply and pre-payment to credit meter requests) resulted in a security deposit being requested.
- 2.30 Furthermore, removing the ability to use security deposits could drive more strict credit and affordability checks as are being seen in the financial services industry.
 - (d) Is there a preferable alternative way of mitigating detriment arising from the impediments to switching posed by the potential need to pay a security deposit?
- 2.31 As explained in paragraph 2.27 above, our security deposit process not only helps customers avoid getting into repeat difficulty with debt, but also helps us to keep our costs down and therefore customer bills low across the whole portfolio.
- 2.32 We therefore urge that for any remedy the CMA considers around security deposits, the CMA considers too the impact of higher debt levels on suppliers and the need to ensure that customers do not get into repeat debt situations.
- 2.33 For completeness, we note that with the rollout of SMETS 2 meters, security deposit requirements may decrease as suppliers will be able to amend the meters from credit to prepay without installing a new meter.
 - (e) Should the CMA implement this remedy itself, or should the CMA make a recommendation to Ofgem to do so?
- 2.34 We do not support this remedy in its current terms, but should the CMA take this forward, Ofgem should have responsibility for implementation. This would enable Ofgem to oversee the process to both monitor performance across industry to ensure compliance but also to ensure a level playing field between suppliers.

Remedy 20b – Suppliers are prohibited from charging customers upfront for the cost of a new meter when switching away from prepayment

- (a) What length of time is reasonable and appropriate to allow the recovery of the cost of the meter and installation?
- 2.35 Although only some suppliers have been charging upfront for the removal of prepayment meters, formalising an arrangement could result in more suppliers deciding to directly recover the charges.
- 2.36 Instead, as covered in paragraph 2.4, we support instead a form of enhanced information remedy, timed to coincide with the rollout of SMETS 2 meters (paragraphs 2.7 and 2.8).



- First Utility Knowledge is Power
- 2.37 Since the rollout of smart meters is an obligation on suppliers, under supplier Standards of Conduct, suppliers would be prohibited from charging customers upfront for these. SMETS 2 meters will be capable of changing between PP and credit modes making the requirement for a further meter exchange redundant should a customer on PP mode wish to move to a credit tariff.
 - (b) Is this a proportionate remedy given the number of cases in which suppliers charge for removal of a prepayment meter?
- 2.38 Given the uncertainty of how many new meter exchanges this would lead to, alongside potential unintended consequences of more suppliers deciding to directly recover charges than do currently, we do not believe this is a proportionate remedy and has a questionable likelihood of the desired outcomes being achieved.
 - (c) Is there an equally or more effective alternative way to reduce the costs of prepayment meter removal and replacement?
- 2.39 Instead, as covered in paragraph 2.4, we support a form of enhanced information remedy, timed to coincide with the rollout of SMETS 2 meters (paragraphs 2.7 and 2.8).
 - (d) Should the CMA implement this remedy itself, or should the CMA make a recommendation to Ofgem to do so?
- 2.40 Please see our response in paragraph 2.34.

Remedy 20c – Require suppliers to provide annual notifications to prepayment meter customers setting out their right to switch and highlighting any potential restrictions or charges that may be payable

- (a) Would this be an effective means of facilitating switches away from prepayment meters?
- 2.41 This would not be an effective remedy to further switches away from prepayment meters as suppliers already provide such information on the mandatory annual statements.
- 2.42 Instead as covered in paragraph 2.4, we support instead a form of enhanced information remedy, timed to coincide with the rollout of SMETS 2 meters (paragraphs 2.7 and 2.8)
 - (b) What would be the most effective means of communicating this information to customers?
- 2.43 The most effective way of encouraging all PPM customers to exchange their meters or to switch to a credit mode if their meter allows, will be a form of enhanced information remedy as covered in paragraph 2.4, timed to coincide with the rollout of SMETS 2 meters (paragraphs 2.7 and 2.8).

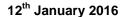


- 2.44 In our experience, customers do respond to targeted communications on switching tariffs, which experience was an important element in our proposals around an alternative information remedy including MCT messaging.
- 2.45 Introducing quarterly SCT and MCT communications (in the style of the current price rise notification) to all PP customers, is therefore likely to be much more effective at industry level as a whole rather than continuing with an annual notification and SCT per meter type alone.
- 2.46 By applying our enhanced remedy to all PP customers as well as customers on credit meters but on the SVT tariff, pressure would increase on suppliers to innovate on tariffs and to reduce prices, encouraging competition.
 - (c) What is a suitable frequency with which to contact customers? Would this messaging be more appropriately included alongside other messages or be triggered by particular events (such as outstanding debt being paid off)?
- 2.47 Please refer to our response in paragraph 2.4.
 - (d) Should a prompting remedy such as this be introduced directly by the CMA or should this be an area that Ofgem considers running randomised controlled trials to assess its effectiveness?
- 2.48 Please see our response as per paragraph 2.12 and 2.13.

Remedy 21 – Reform the protocol for assignment of debt on prepayment meters

- (a) Would a remedy recommending Ofgem to address the above-mentioned issues be effective in ensuring that adequate changes to the DAP are implemented promptly? Or should the CMA instead use its order-making power to support Ofgem's ongoing work?
- In 2014, under the auspices of the industry trade association, Energy UK, suppliers (both members and non-members) created a set of voluntary DAP requirements. Ten energy suppliers have now signed up to these and have agreed to take steps to change how they operate the Debt Assignment Protocol (DAP) from 30th April 2015 by adopting the Point of Acquisition (**POA**) DAP model. Following discussions with Ofgem, Utilita has also been operating the POA DAP model since 1st July 2015.
- 2.50 We therefore suggest that a remedy in this area is not required, as Ofgem and Industry are already working together to address the issues as highlighted by the CMA. Given that eleven suppliers have now adopted the POA model, the CMA's statement in paragraph 45, that industry has not approved the changes suggested by Ofgem with a deadline of April 2015, is out of date. We do not therefore see use of the CMA's order-making power to assist Ofgem as being necessary or justified.

¹ British Gas, Ecotricity, EDF Energy, E.ON, First Utility, Npower, Spark Energy, Scottish Power, SEE and Utility Warehouse.





- 2.51 We have seen a draft of the EUK response to this aspect of the Remedies Notice and we would refer you to this for further information.
 - (b) What is the most efficient way for Ofgem and the industry to improve the DAP process in relation to the above-mentioned areas identified by Ofgem in order to increase the switching rates of indebted PPM customers?
- 2.52 We have seen a draft of the EUK response to this aspect of the Remedies Notice and we would refer you to this.
 - (c) How would this remedy interact with the other remedies to address the Domestic AEC and/or detriment?
- 2.53 Achieving the benefits of raising awareness amongst PPM customers around their ability to switch supplier, will be supported by a simpler more user friendly switching process for PPM customers. The new POA DAP model will facilitate this, so ensuring that increased levels of customer engagement are not subsequently lost through administrative barriers faced later on. We recommend that as a minimum, Ofgem should write to all suppliers about making changes to their systems to recognise the POA model, even if they do not intend to adopt the model in full at this time.
 - (d) Are there other impediments to switching for indebted PPM customers other than those identified by Ofgem – that need to be addressed? If so, what are these and how should Ofgem or the industry address them?
- 2.54 We have seen a draft of the EUK response to this aspect of the Remedies Notice and we would refer you to this.

Remedy 22 - A transitional 'safeguard price cap' for domestic prepayment customers

- (a) If the transitional safeguard price cap for PPM customers were set relative to other prices in the domestic retail energy markets, how should we identify an appropriate level of prices and how can we ensure the level of the cap remains appropriate for the duration of the period it is in effect?
- 2.55 First Utility does not believe that a transitional safeguard price cap based on the setting of a maximum price level by either Ofgem or the CMA is a proportionate means of offering protection to these customers, nor is it likely to be the most effective means of securing or incentivising customer engagement to exchange meters and switch to different tariffs or suppliers. A safeguard tariff would actively discourage customer engagement, effectively almost rewarding it: the name is benign, suffering from the same neutrality as "standard variable tariff".
- 2.56 We are therefore concerned that there would be significant unintended consequences, including but not limited to an adverse effect on competition. As the CMA has noted, "there are risks to controlling outcomes in markets". Conceptually, we are also concerned that such a measure, whilst not expressed as a price control in the same way as water or distribution/transmission network controls, risks behaving like one without having being established in the manner of



such controls, increasing the risk of unintended consequences for suppliers and, worse, for customers.

Identifying an appropriate level of prices

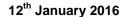
2.57 Identifying an appropriate level of prices is fraught with challenges given that it is insufficient simply to price at a level somewhere in excess of competitively priced tariffs in the domestic retail market. Technical constraints mean many suppliers can only offer the one PPM tariff resulting in this being the standard variable equivalent as required by Ofgem. With hedging requirements, less flexibility (as compared to standard credit meters) around updating tariffs (and therefore greater commercial risk) alongside the higher costs associated with maintaining PP meters, prices should instead be at a level in excess of the SVT tariffs available in the retail market.

Ensuring the cap remains appropriate

- 2.58 Maintaining an appropriate price cap would require a central pricing system to track all cost items and the risks to them at half hourly granularity all the way into the future. We note that a central team with great skills and expertise in: wholesale energy pricing, industry cost forecasting, weather risk, and regulatory change risk, would be required to track every cost item and its price risk in order to ensure a safe risk premium and cost to serve was incorporated into any such tariff. The cost and complexity of doing this accurately would mean that in practice there would be extremely high risk of either too low or too high margins in the cap. It is also important to note that different suppliers have different cost bases, efficiencies and approach to risk, and that a number of regulatory and other costs are effectively not hedgeable.
- 2.59 A price cap would therefore lead to profitability or gross margin cross subsidy implications for suppliers with no potential 'lever' in that tariff to collect extra margins in the event that the margin is insufficient. In such a situation the prices of other tariffs in the market could be increased to fund any shortfalls.

An alternative approach

- 2.60 PPM customers, and non-smart PPM customers in particular, would instead benefit much more from an enhanced information remedy as we propose in our responses to Remedy 19 and Remedy 20c.
 - (b) Could the imposition of a transitional safeguard price cap for PPM customers result in energy suppliers reducing the quality of service offered to customers on these tariffs? Is this risk reduced by prepayment customers' ability to choose alternative, unregulated tariffs or changing to a smart prepayment meter?
- 2.61 Please refer to our response to question (c) of Remedy 11 of our August 5th response to the Provisional Findings and Remedies Notice (page 42).





- (c) How should the headroom be calculated to provide the right level of customer protection while not unnecessarily reducing healthy competition?
- As the CMA has identified, tariffs in the PP market are not as competitively priced as compared with customers on standard credit meters. The proposed safeguard tariff remedy will however provide little if any customer protection as it would instead lead to profitability or gross margin cross subsidy implications for suppliers who must meet the relevant licence condition requirements but with no potential 'lever' in that tariff to collect extra margins to fund that quality of service in the event that the margin is insufficient.
- 2.63 We consider that this potentially complex issue is avoided altogether by the enhanced information remedy we have proposed in paragraph 2.4.
 - (d) What regulatory information would be required to set the transitional safeguard price cap?
- 2.64 Please refer to our response to question (f) of Remedy 11 of our August 5th response to the Provisional findings and Remedies Notice (page 43).
 - (e) How long should the transitional safeguard price cap be kept in place? Is it appropriate to include a specific sunset provision, or should there be a commitment to review the need for and level of the safeguard price cap after a certain period of time?
- 2.65 Please refer to our response to question (g) of Remedy 11 of our August 5th response to the Provisional findings and Remedies Notice (page 44).
 - (f) Should the termination date of a transitional safeguard price cap remedy be linked to the roll-out of smart meters? If so then should this be done explicitly, in aggregate or on a customer-by-customer basis?
- 2.66 We do not think a transitional safeguard price cap for PPM customers would be an effective or proportionate remedy and may have considerable unintended consequences as already explained. Instead PPM customers, and non-smart PPM customers in particular, would benefit much more from an enhanced information remedy as we propose under paragraph 2.4.
 - (g) How frequently if at all would the level of the cap need to be reassessed?
- 2.67 Please refer to our response to question (h) of Remedy 11 of our August 5th response to the Provisional findings and Remedies Notice (page 44).
 - (h) Which prepayment customers should this remedy apply to?
- 2.68 We do not believe there should be a transitional safeguard price cap. Instead, the best way to help all PP customers is as per our enhanced information remedy as we propose under paragraph 2.4..





- (i) How energy suppliers should be subject to the transitional safeguard price cap, and why? Should it be restricted to the Six Large Energy Firms, or should all retail energy suppliers be covered?
- 2.69 Please see our response to the previous question.
 - (j) How should the transition from the current arrangements be managed? Should there be a period over which the transitional safeguard price cap is phased in? If so, how long should this period be and how should the transition work?
- 2.70 Please refer to our response to question (j) of Remedy 11 of our August 5th response to the Provisional findings and Remedies Notice (page 45).
 - (k) Would frequently energy suppliers have the ability to circumvent the remedy, for example, by encouraging domestic prepayment customers to switch on to less favourable, unregulated tariffs, and how could such risks be mitigated?
- 2.71 Please refer to our response to question (k) of Remedy 11 of our August 5th response to the Provisional findings and Remedies Notice (page 45).
 - (I) Should the CMA set the level of the transitional safeguard price caps itself, or should the CMA make a recommendation to Ofgem to do so?
- 2.72 Please refer to our response to question (I) of Remedy 11 of our August 5th response to the Provisional findings and Remedies Notice (page 45).
 - (m) Are there any potential unintended consequences of setting a transitional safeguard price cap, for example, in terms of their potential impact on the level of other, unregulated tariffs?
- 2.73 Please refer to our response to question (m) of Remedy 11 of our August 5th response to the Provisional findings and Remedies Notice (page 46).