



David Fowlis  
Project Manager  
Competition & Markets Authority (CMA)  
Victoria House  
Southampton Row  
London  
WC1B 4AD

10 November 2016

Email to: david.fowlis@cma.gsi.gov.uk and energymarket@cma.gsi.gov.uk

Dear David,

### **Consultation on the Energy Market Investigation (Gas Tariff Codes) Undertakings 2016**

EDF Energy welcomes the opportunity to respond to the CMA's consultation on the Draft Undertakings. We remain supportive of the policy intent and would be willing to agree to the Undertakings in order to set up a fair and consistent regime for the allocation of gas tariff pages.

While we broadly support the overall drafting and intent of the Undertakings, as discussed in our meeting with Ofgem (Xander Fare) on 10 November, we are concerned by the absolute nature of the timescales used in the Undertakings.

The process to move customers to another tariff page relies on the customer collecting a message from a charging terminal. Therefore, although suppliers may try to prompt a customer to charge, the customer may choose not to. This is largely outside of the supplier's control, particularly where a customer may make larger, less frequent charges, during the summer months or where the property is not occupied. For this reason, we believe requiring suppliers to take reasonable steps to relinquish a Tariff Page would be more appropriate.

Should the Undertakings remain absolute in nature we are concerned by the potential detrimental impact this could have on customers. In order to comply with the Undertakings, we could be forced to remove customers from their tariff page before the message to transfer them had been collected. The effect of this would be that the customer may be temporarily overcharged as Siemens would need to set a default price, or the customer may vend at another suppliers price if the page is taken on by another supplier before the customer collects our message.

As highlighted above, and during our recent call with Ofgem, a tariff page will only be available to safely release back to the market once all customers have been transferred from it.

We believe an alternative arrangement could be included in the Undertakings that would work for all parties during any transitional period. The CMA acknowledges that in some circumstances new entrants or smaller suppliers do not require an entire Tariff Page. With

**EDF Energy**  
40 Grosvenor Place, Victoria  
London SW1X 7EN  
Tel +44 (0) 20 7752 2187

**edfenergy.com**  
*EDF Energy plc*  
*Registered in England and Wales*  
*Registered No. 2366852*  
*Registered office: 40 Grosvenor Place,*  
*Victoria, London SW1X 7EN*

this in mind, EDF Energy welcomes the introduction of an option to share unused Tariff Slots with other suppliers until which time the Tariff Page can be entirely released.

We believe that the enduring requirements for allocation of tariff pages and associated governance should be governed via the relevant Industry Arrangements. For this reason, we are taking an active role in the Supply Point Administration Agreement (SPAA) workgroup considering Change Proposal CP 16/347.

We welcome the drafting of this modification, which will introduce into Schedule 25 arrangements that replicate those in the CMA's draft Undertakings. If implemented in this way, it would allow suppliers to be released from certain aspects of the Undertakings, as per clause 8.3(a).

We support the CMA view that suppliers should also be released from certain requirements of the Undertakings, as per clause 8.2, following the introduction of 50 new tariff pages.

As discussed, we believe Siemens has a key role to play in ensuring that the expected 50 new tariff pages are made available to the industry as soon as reasonably possible. In light of the recent reduction in the number of available tariff pages, we would like the CMA and Ofgem to encourage Siemens to have a robust and effective plan in place to deliver the required extra pages in a timely manner.

This response is not confidential and may be published on the CMA's website, and I am also sending a copy of this letter to Xander Fare at Ofgem. Should you wish to discuss further any of points in our response or have any queries, please contact Gavin Anderson or myself.

Yours sincerely,

**Paul Delamare**  
**Head of Customers Policy and Regulation**