

npower
Restricted meter order consultation
Response dated 17 November 2016

Part 1 – Scope of the remedy

1. npower broadly supports the CMA’s proposed Restricted Meter remedy however the CMA should not underestimate the system developments that will be required to comply with this remedy. Having early sight of detailed requirements will help suppliers to minimise implementation costs and expedite necessary system and process developments.
2. npower notes that suppliers with less than 50,000 customers are exempt from this remedy. npower is supportive of this approach, however it would urge the CMA to also exempt white label brands where customers of the white label brand are managed on separate systems, since it is likely that significant system changes would be required to support this remedy.

Part 2 – Obligation to make available Relevant Tariffs

Definition of Relevant Retail Electricity Supplier

3. ‘Relevant Retail Electricity Supplier’ is currently defined as meaning ‘a Retail Electricity Supplier that supplies electricity to 50,000 or more Domestic Customers’. npower would suggest that the 50,000 threshold is extended to white label products that are managed on separate platforms. If white labels are included with the remedy the potential costs of system developments would be disproportionate given the size of portfolio and would inhibit tariff innovation in this area. We propose that the revised definition reads: ‘a Retail Electricity Supplier or white label brand with a standalone IT platform that supplies electricity to 50,000 or more Domestic Customers’.

Relevant RMI Customers

4. Some customers with Off-Peak meters will have a related 24 hour meter, and for a small number of customers this will be an E7 meter. In order to gain these customers on a single rate tariff npower has assumed that where the related 24 hour meter is an E7 meter it will also need to be gained on a single-rate tariff to ensure that standing charges and discounts are applied correctly. In this scenario the customer would not be able to move back to an E7 tariff on the related meter. npower considers that the definition of Restricted Metering Infrastructure needs to be expanded to allow for this scenario.

Specified Information

5. The CMA has stated that the format of the Specified Information will be specified by Ofgem and may be subject to testing as part of the Ofgem-led programme. npower assumes that the format will not be prescriptive and that suppliers will be consulted on the format and frequency of any changes so as to avoid any unnecessary costs. In order to implement this, npower will need to make system changes to update relevant correspondence templates for letters and bills. The time required to do this will depend on the complexity of the information. npower would ask the CMA to ensure Ofgem informs suppliers on the proposed timeline for this process.

Relevant RMI Customer Information

6. npower believes there is the potential risk of confusing customers by supplying historical tariff rate information. In order for customers to make informed choices, the "Relevant RMI Customer Information" provided should be based on current rates and forward-looking rates where a price change has been announced. We firmly believe that providing historical rates could only confuse customers as these should not feature in any calculation of projected future charges.

Information on Relevant Restricted Metering Infrastructure

7. npower notes that the CMA expects the information to be provided to Citizens Advice will relate to factual non-customer specific issues. npower would ask the CMA to confirm the specific requirements in the formal consultation document.

Timeframe for complying with the obligations

8. npower acknowledges that the Citizens Advice will require information from December 2016 to enable them to allocate resource to training etc. in preparation for customers contacting them from April 2017. However, the CMA's timeline for suppliers to provide the Relevant RMI Customers with information from December 2016 seems at odds with the obligation to make the relevant tariffs available from April 2017, since customers will not be able to use the information provided to switch to single-rate tariffs until April 2017. npower urges the CMA to align the start date for the provision of RMI Customer Information with the start of the opportunity for customers with restricted meters to take up single-rate offers. This will avoid the risk that customers are frustrated by being unable to change to a single-rate tariff in Q1 2017.
9. npower is concerned about the practicality of implementing this remedy by April 2017. It will require significant IT development and system changes particularly to ensure we can gain new customers with multi-MPANS where the switch needs to happen simultaneously or the transfer will fail in line with the technical requirements under the MRA. We are still impact assessing the system changes

required to implement the remedy but feel at the very least a more feasible implementation date would be September 2017.