



David Fowlis  
Project Manager, CCMG  
Competition and Markets Authority  
Victoria House  
Southampton Row  
London  
WC1B 4AD

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

Dear David

## **DRAFT ORDER – Formal CONSULTATION**

### **The Energy Market Investigation (Restricted Meters) Order 2016**

EDF Energy supports the CMA's finding that, in the case of customers on non-Economy 7 restricted meters, it is appropriate to allow these customers access to the full range of tariffs available to single rate customers. Our comments are intended to ensure that the costs of compliance remain proportionate to the intended benefits.

We welcome the changes the CMA have made to this remedy, including the exclusion of PPM customers. PPM customers will be protected by the prepayment price cap and the limitations of the existing PPM infrastructure would have made including these customers very problematic. We also welcome the detailed clarifications made to the latest draft wording of the license conditions.

We have examined in detail the process and system changes that would be required to be able to offer totalisation for all customers with restricted meters, both for existing customers and those new to EDF Energy. The cost of accommodating 98% of all restricted meter customers is material although modest in comparison with the cost of accommodating the 2% (23,000) of customers with the most complex (four register and above) meters. For customers with these very complex meters the cost per customer of adjusting our systems, even with bold assumptions for the number of customers who might wish to switch, would greatly exceed any potential savings the customers could achieve. It is also important to remember that these systems would only be used for a limited time before restricted meters are replaced with smart meters. We would be happy to discuss these costs in more detail with the CMA.

EDF Energy proposes that where small numbers of customers cannot be accommodated cost effectively within a supplier's systems the supplier must offer an alternative approach which ensures the customer is not disadvantaged. For example, if a customer wishes to switch to a single rate tariff the supplier may have to accept the customer without requiring a meter change up front, but can subsequently fit a suitable meter free of

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

[edfenergy.com](http://edfenergy.com)

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

charge. If the customer subsequently discovers that they could have benefitted from returning to their more complex meter, which has now been removed, the supplier must calculate the savings the customer could have made with the more complex meter and compensate for the difference to ensure the customer suffers no detriment. This arrangement could continue until the customer has a smart meter fitted and is therefore able to access more flexible tariffs with multiple time of use options. This alternative arrangement ensures customers with restricted meters are helped to access all tariffs and ensures that investment in systems which become redundant once smart meters are rolled out is proportionate and minimised.

This letter may be published on CMA's website.

Yours sincerely,

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