



Re: Prepayment Metering in the Electricity and Gas Markets – CER/11/166

Endesa Ireland welcomes the opportunity to respond to the Consultation Paper *Prepayment Metering in the Electricity and Gas Markets*.

Endesa Ireland considers that where a customer in debt has opted to have a PPM installed, a condition should be that they agree not to switch supplier until their debt has been repaid.

Debt recovery ratio

If PPM customers are to repay a portion of their debt with each top-up it is considered that this debt collection mechanism should be as flexible as possible, on a par with a repayment plan a supplier may agree with a customer. It is considered that 30% is too high a percentage to impose for debt recovery. Ideally the customer should be able to choose from a range of debt repayment levels at each transaction, with a minimum of 5% (during winter months) and a maximum of 100%. Experience seems to show that customers who are experiencing financial problems will have difficulty paying higher electricity and gas bills during winter periods without having to also make a 30% contribution to their debt; it would be preferable if greater flexibility were permitted in the repayment schedule.

Endesa Ireland notes that debt recovery is envisaged to work by means of a supplier debt recovery tariff. The points made above should be incorporated into such a tariff, affording the customer a choice as to level of debt recovery, with potential seasonal variation if required by the customer.

Endesa Ireland notes that the majority of PPMs will be taken up by customers who are in financial hardship and believes that the debt recovery mechanism should facilitate these customers to maintain supply of electricity and gas, particularly during the colder months, whilst repaying their debt.