1) Do you have any comments on the CRU’s proposed changes to the monetary thresholds for raising a debt flag.

Flogas agree with the proposed changes to the monetary thresholds for raising a debt flag in line with the percentage reduction in average annual consumption.

2) Do you have any comments on the CRU’s proposal to maintain the current timings for raising a debt flag?

We agree that the current timing is fine, and agree that no proposal should be made to change the current timings.

3) Do you have any comments on the CRU’s proposal to set the debt flagging threshold for unmetered supply of that of DG5?

We do not have any comments on the above.

4) Do you have any other general comments on the CRU’s proposed structure or values associated with debt flagging?

We have no further comments on the on the CRU’s proposed structure or values associated with Debt Flagging.

5) Do you have any comments on the CRU’s proposal to introduce an RP flag to both the Electricity and gas market?

We welcome the CRU’s broad agreement with a RP Flag.

We agree with that the RP flagging process would apply for both domestic and non-domestic customers and that an RP flag could only be raised once GNI have issued the RP read to the supplier and a bill has been issued to the customer with the amount outstanding.

6) Do you have comments on the CRU’s proposal to align the minimum threshold value to raise an RP flag with that of a debt flag?

RP flag thresholds should not be put in place as monetary thresholds do not give appropriate signals to tamperers. Thresholds could be misinterpreted as an indication that tamper penalties only apply above a certain monetary value. We are of the view that all tampering should be disincentivised appropriately. In particular, debt flagging thresholds do not provide an appropriate guide for threshold amounts.

It is noted that RP Read and Flagging procedures are being developed in Northern Ireland at present. As thresholds are not being proposed as part of this process, it would also be beneficial to be aligned with neighbouring markets.

7) Do you have comments on the CRU’S proposal to have no minimum time threshold for a supplier to be able to raise an RP flag on a customer?
We agree that there should be no minimum time threshold for a supplier to be able to raise an RP flag on a customer.

8) Do you have comments on the CRU’S proposal to have a limit of one year for a supplier to be able to raise an RP flag on a customer?

The issuing of RP Reads serves two key purposes:

- Recovery of energy-related tamper debt
- Provision of a message to existing/potential tampers that there are disincentives to tampering with meters. Monetary penalties should act as a deterrent to prevent tampering and limit the associated safety risks

For these reasons, RP Flagging should be treated differently to Debt Flagging with separate rules. It’s vital that proportionate disincentives are put in place to deter gas meter tampering. As such, our previous proposal outlined that a RP flag can only be raised for the period that a customer has an outstanding tamper-related debt. We strongly believe this is the most suitable approach to deter individuals (who have benefitted from tampering) from switching suppliers and avoiding the associated tamper debt.

Use of debt flagging for RP cases would not be suitable as it would prevent accurate reporting on the issue which is important for incoming supplier monitoring for potential repeat tampers and also for broader market review/monitoring of RP processes.

A limit on RP Flagging is not appropriate. Ninety per cent of confirmed tamper cases relate to pre-payment meters. Prepayment meter debt collection is limited to a maximum of 25% per vend meaning recovery rates take a significant period of time. Given average vend patterns, this would be far in excess of 1 year.

We don’t believe it’s appropriate to transition to use of debt flagging for tamper cases after the proposed 1 year period for RP flagging. CRU’s Retail Market Report 2017 shows that 51% of debt flagged change of suppliers in the gas market were not cancelled. A market process which could allow approximately half of customers who have benefitted from tampering to avoid tamper-related debt does not present adequate disincentives from tampering.

We strongly believe that no time-based thresholds should be in place for RP flagging. However, if a time limit is strictly required, we would welcome further discussion on developing a time limit that would be more suitable for recovery, monitoring and reporting requirements.

9) Do you have comments upon the suitability of maintaining the Debt flag as a suitable deterrent to meter tampering?

Use of debt flagging for RP cases would not be suitable as it would prevent accurate reporting on the issue which is important for incoming supplier monitoring for potential repeat tampers and also for broader market review/monitoring of RP processes.

For these reasons, RP Flagging should be treated differently to Debt Flagging with separate rules. It’s vital that proportionate disincentives are put in place to deter gas meter tampering.
10) Do you have any other proposals upon measures that could be introduced to reduce the levels of meter tampering?

We strongly agree that the RP flag should be brought in to deter meter tampering, and also for the recovery of meter related tamper debt.

11) Do you have any other proposals upon measures that could be introduced to reduce the levels of meter tampering?

We have no further proposals upon measures that could be introduced to reduce the levels of meter tampering.