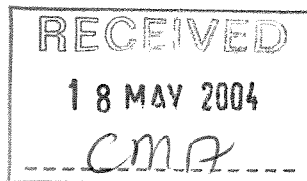


# Scottish and Southern Energy plc

→ Nigel

Iain Osborne  
Director of Supply  
Ofgem  
9 Millbank  
London  
SW1P 3GE

Our Reference:  
Your Reference:



Head Office  
Inverlmond House  
200 Dunkeld Road  
Perth  
PH1 3AQ

Telephone: 01738 456400  
Facsimile: 01738 456415  
Email:

Date: 14 May 2004

Dear Iain

## **Objections for Debt: Direct Debit Domestic Customers**

Thank you for your recent letter about the above and I apologise for the delay in responding.

The clarification provided by Ofgem on the circumstances in which a supplier can object to a customer transfer on the grounds of debt in respect of direct debit arrangements is most helpful and will ensure that a consistent approach is adopted by all suppliers.

On the wider policy question, we do not believe that there is a need for Ofgem to consult further on this issue. A new right to object was only recently introduced (Customer Requested Objections) and a further right to object to customers on energy services contracts is currently being developed. In addition, the prepayment debt assignment protocol was implemented in February this year. This followed a lengthy consultation process over a number of years with industry, Energywatch and other interested parties on the right to object on the grounds of debt. All parties have therefore had more than adequate opportunity to express their views on this issue and we do not believe that it would be either necessary or appropriate for Ofgem to re-open this issue for further consultation.

Moreover, we would be very concerned if, following such a consultation exercise, further changes to the rules surrounding the right to object were proposed (particularly if such changes required additional changes to IT systems). It is apparent that continuous amendment of the rules by Ofgem not only increases suppliers' costs but leads to greater

  
Scottish Hydro-Electric

  
SOUTHERN  
ELECTRIC


  
SWALEC

  
Delivering  
your electricity

regulatory uncertainty faced by suppliers. This would not be in the interests of customers or competition in general.

I hope that the above comments are helpful. If you would like to discuss this further, please call.

Yours sincerely



Rob McDonald  
**Director of Regulation**