

Neil Barnes
Senior Economist, GB Markets
Ofgem
9 Millbank
London
SW1P 9GE

Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ

15 September 2009
rob.mcdonald@scottish-southern.co.uk
01738 456 400

Dear Neil

Energy Supply Probe – Notices of Statutory Consultation to modify the standard conditions of the electricity and gas supply licences and the standard conditions of the electricity generation licence

Thank you for giving SSE the opportunity to make representations on Ofgem's statutory consultation regarding the proposed Licence changes that form part of Ofgem's Energy Supply Probe Remedies package.

Whilst we support the objective of these conditions, it is disappointing that Ofgem has not taken into consideration our repeated concerns over timing. The risks associated with delivering a major amendment to our billing system whilst ensuring that it does not disrupt business as usual activities for all customers are not insignificant. Whilst we will endeavour to make the changes to bills and statements to comply with SLC 31A by Ofgem's stated implementation date of 1 April 2010, our commitment to this timescale means that we have had to halt ongoing projects, that are to customers' benefit, in order to focus our efforts on compliance with the new proposed new licence conditions. It would be of grave concern to SSE if our competitors are not approaching the energy supply probe remedies package with similar levels of commitment to implementation and delivery.

We have identified a number of small drafting errors relating to the proposed licence modifications, which we consider are capable of being rectified in the final direction without requiring another consultation. We have outlined these in detail in the attached appendix.

We understand that it is Ofgem's intention not to direct the modification of proposed clause 14.6 of the gas and electricity supply licences, which refers to the value of the outstanding debt that can be assigned under the relevant Protocol, provided that the appropriate modifications are raised to the Master Registration Agreement and the Supply Point Administration Agreement. We believe that another supplier has already committed to progress these changes and we will support them through the industry governance process.

We therefore confirm that we have no objection to the proposed modifications to the electricity and gas supply licences and the electricity generation licence on behalf of the following licence holders:

- Domestic and non-domestic gas supply: Atlantic Gas Limited; Scottish Hydro Electric Gas Limited; Southern Electric Gas Limited; and Swalec Gas Limited;
- Non-domestic gas supply: SSE Energy Supply Limited;
- Domestic and non-domestic electricity supply: SSE Energy Supply Limited; and South Wales Electricity Limited; and

- Electricity generation: AES Fifoots Point Limited; Fibre Power (Slough) Limited; Greater Gabbard Offshore Winds Limited; Keadby Generation Limited; Keadby Developments Limited; Medway Power Limited; SSE Generation Limited; SSEPG (Operations) Limited; and Uskmouth Power Company Limited.

Please contact me if you would like to discuss anything further.

Yours sincerely



Rob McDonald
Director of Regulation
