

Appendix

SSE's Drafting points on the probe remedies package

Gas Supply Licence

Amended Standard Condition 1 Definitions for standard conditions

In the definition of "Relevant Principal Terms" we believe that there is a missing "of" between Customer and whether.

The clause should read

"(d) any other terms that may reasonably be considered to significantly affect the evaluation by the Customer of whether to change their Gas Supplier."

Amended Standard Condition 23 Notification of Domestic Supply Contract terms

In paragraph 23.6(b), the proposed drafting incorrectly refers to the Master Registration Agreement.

We believe that the clause should read:

"(b) no later than 15 Working Days after the Domestic Customer has notified the licensee in accordance with sub-paragraph 23.6(a), the licensee receives Notice under the Network Code by way of the Relevant Gas Shipper that another Gas Supplier will begin to supply the Domestic Customer..."

In 23.6(c) (ii) the drafting incorrectly refers to the licensee *blocking* the Domestic Customer's Proposed Supplier Transfer. Consistent with the wording of SLC14, the drafting should state:

(c)(ii) "..... after the Domestic Customer receives Notice that the licensee intends to ask or allow the Relevant Gas Shipper to prevent the Domestic Customer's Proposed Supplier Transfer."

Amended Standard Condition 25: Marketing gas to Domestic Customers

25.6(b)(ii) in the paragraph below (ii) on line 9 "their" should be "his", consistent with terminology used elsewhere in the licence.

New Standard Condition 19A Financial Information Reporting

In 19A4 (b) the condition currently reads ..." of how the revenues, costs and profits can be reconciled with the licensee's UK statutory accounts **and** where applicable the consolidated group accounts".

We believe that the intention, as reflected in our previous discussions and correspondence with Ofgem and additionally as stated in paragraph 1.6 of the Guidance is for the licensee to reconcile the Consolidated Segmental Statement to the statutory accounts OR the consolidated group accounts.

In SSE's case we would reconcile the regulatory accounts to the consolidated group accounts, which are usually published at the end of May, rather than to the statutory accounts, which would not be filed until December 2010, which would also be more than six months after the end of our financial year. As it stands, therefore, we would be unable to comply with the licence condition.

We therefore believe that the "and" be amended to "or".

New Standard Condition 31A Information about gas consumption

In 31A2 and 31A4 the term "Gas Supplied" has been used however this term is not defined in the condition nor is it included in Standard Condition 1. We believe that this is a typo and that the words gas supplied should be lower case.

In 31A.5 (d) there is a superfluous "to" in the second line. The clause should read:

(d) when providing an illustrative projection of costs under paragraphs 31A.2 or 4, ~~to~~ set out the Charges for the Supply of Gas that have been used.

Electricity Supply Licence

Amended Standard Condition 1 Definitions for standard conditions

In the definition of "Relevant Principal Terms" we believe that there is a missing "of" between Customer and whether.

The clause should read

"(d) any other terms that may reasonably be considered to significantly affect the evaluation by the Customer of whether to change their Gas Supplier."

Amended Standard Condition 23 Notification of Domestic Supply Contract terms

In 23.6(c) (ii) the drafting incorrectly refers to the licensee *blocking* the Domestic Customer's Proposed Supplier Transfer. Consistent with the wording of SLC14, the drafting should state:

(c)(ii) "..... after the Domestic Customer receives Notice that the licensee intends to prevent the Domestic Customer's Proposed Supplier Transfer."

Amended Standard Condition 25: Marketing electricity to Domestic Customers

25.6(b)(ii) in the paragraph below (ii) on line 9 "their" should be "his", consistent with terminology used elsewhere in the licence.

New Standard Condition 19A Financial Information Reporting

In 19A.4 (b) the condition currently reads ..." of how the revenues, costs and profits can be reconciled with the licensee's UK statutory accounts **and** where applicable the consolidated group accounts".

We believe that the intention, as reflected in our previous discussions and correspondence with Ofgem and additionally as stated in paragraph 1.6 of the Guidance is for the licensee to reconcile the Consolidated Segmental Statement to the statutory accounts OR the consolidated group accounts.

In SSE's case we would reconcile the regulatory accounts to the consolidated group accounts, which are usually published at the end of May, rather than to the statutory accounts, which would not be filed until December 2010, which would also be more than six months after the end of our financial year. As it stands, therefore, we would be unable to comply with the licence condition.

We therefore believe that the "and" be amended to "or".

New Standard Condition 31A Information about electricity consumption

In 31A2 and 31A4 the term "Electricity Supplied" has been used however this term is not defined in the condition nor is it included in Standard Condition 1. We believe that this is a typo and that the words electricity supplied should be lower case.

In 31A.5 (d) there is a superfluous "to" in the second line. The clause should read:

(d) when providing an illustrative projection of costs under paragraphs 31A.2 or 4, ~~to~~ set out the Charges for the Supply of Electricity that have been used.

Generation Licence

New Standard Condition 16B Financial Information Reporting

In 16B.4 (b) the condition currently reads ..." of how the revenues, costs and profits can be reconciled with the licensee's UK statutory accounts and where applicable the consolidated group accounts".

We believe that the intention, as reflected in our previous discussions and correspondence with Ofgem and additionally as stated in paragraph 1.6 of the Guidance is for the licensee to reconcile the Consolidated Segmental Statement to the statutory accounts OR the consolidated group accounts.

In SSE's case we would reconcile the regulatory accounts to the consolidated group accounts, which are usually published at the end of May, rather than to the statutory accounts, which would not be filed until December 2010, which would also be more than six months after the end of our financial year. As it stands, therefore, we would be unable to comply with the licence condition.

We therefore believe that the "and" be amended to "or".