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18 January 2011

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Dear Meghna

Proposed Modifications to Licence Condition 23

Thank you for allowing SSE the opportunity to provide further comment on Ofgem's proposed amendments to the gas and electricity supply licences to facilitate advanced notification of a price increase or other unilateral variation. We are particularly grateful that Ofgem has shared the licence drafting ahead of any statutory consultation.

Ofgem will be well aware of SSE's reservations about the perceived benefits that a move to 30 calendar days advanced notice will bring to customers. However, we would not have any objection to the five proposals detailed in Ofgem's consultation being included in the supply licences.

We would like Ofgem to consider the implementation timescales again before formally consulting on the licence changes. Whilst it may seem that there has been sufficient time to put in place new processes, Ofgem must understand that we cannot put in place and test new procedures based on licence condition changes which are theoretical at the time. Especially where there could be consequential changes to be made, as there are here.

SSE initially called for twelve months lead time to implement the final condition. We do not believe that it is practical to implement the numerous system and process changes in the time that Ofgem has proposed. Therefore, we would like Ofgem to reconsider its position on this point.

We welcome Ofgem's intention to have a post implementation review given the unintended consequences that this proposed licence change may bring. If Ofgem could give some idea of the likely timescales after which this review would be conducted in the decision document, then this would be helpful.

Please let me know if you would like to discuss any of this further.

Yours sincerely,

Gareth Shields
Regulatory Analyst