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Dear Jonathan,

Smart Metering Consumer Protections Package – Statutory Consultation

SSE is pleased to respond to the above consultation. For the avoidance of doubt, we do not intend to formally object to the proposed modifications; however we have set out below a number of comments on the policy issues for Ofgem's consideration.

SSE believes Ofgem should treat it as an absolute priority to gain a similar commitment from other suppliers outwith those signed up to the ERA Safety Net to compensate those customers who have been wrongfully disconnected. This will ensure adequate protection for all customers with smart meters irrespective of who their supplier is. This will also reduce customer confusion as all suppliers will have a similar policy in place when dealing with these situations.

Ofgem also needs to consider the wording in licence condition 27.11B as we have concerns that it is too vague. If Ofgem intend this to be a clear obligation (for example, so as to be able to take enforcement action on the basis of not complying with this guidance) the wording should be more akin to current licence conditions 19A.6 ('Financial information reporting') or 25A.4 ('Prohibition of undue discrimination in supply'). This will provide a clear direction that Ofgem intends to take the guidance into consideration in assessing compliance with the licence condition.

Ofgem state within both sets of draft guidance (Appendix 2 and Appendix 3) that: *'Ofgem will take compliance with these very seriously and is likely to consider enforcement action to be a proportionate response to a single case of breach'*. Whilst



we consider it appropriate that all suppliers should do the utmost to comply with any relevant licence conditions and guidance issue by the Authority, SSE consider this to be an example of disproportionate regulation. Ofgem should consider each case based on the individual circumstances of any potential breach of guidance. For example, within the 'Prepayment only where safe and reasonably practicable' guidance, can a supplier be held to account for customer who lives quite a distance from a top-up outlet but also has access to a car but due to a change in circumstance this is no longer available and the customer does not inform the supplier? A supplier should not be held to account in a circumstance where the customer fails to inform their supplier that a PPM may no longer be suitable and it is outwith the suppliers knowledge that such a change has occurred.

Furthermore, where the customer specifically requests a prepayment meter despite this being in contradiction with some of the proposed Ofgem guidance, this situation where the customer is making an informed choice should always prevail.

SSE would also recommend that Ofgem reconsiders the definition of 'Credit Limiting'. Suppliers currently have the ability to allow prepayment customers to take advantage of an emergency credit facility should they be unable to top-up their meter. This provides our customers with a safeguard against disconnection where they have been unable to top-up their meter in that specific circumstance. We are concerned that the definition of 'Credit Limiting' will encompass emergency credit as customers are effectively exceeding payments that have been made and this would amount to disconnection according to licence condition 27.9A. The current licence drafting would remove this important protection for many of our domestic customers.

Please call me if you have any questions.

Yours sincerely

Steven Findlay

Regulation