



Stefan Bojanowski
Energy Market Research & Economics
Ofgem
9 Millbank
London
SW1P 3GE

Head Office
Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ

Telephone: 01738 456726
roger.hutcheon@sse.com

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Dear Stefan

Improving Reporting Transparency

SSE welcomes the opportunity to comment on Ofgem's consultation on Improving Reporting Transparency of Large Energy Suppliers.

In our response to the January consultation we highlighted several areas where we felt that comparability would be promoted at the expense of transparency. We recognise that the modifications described in the proposed way forward directly address these concerns and acknowledge that the package as it now stands will serve to enhance transparency without loss of comparability.

SSE welcomes these measures which we believe could enhance consumer confidence in the effectiveness of competition in energy supply. We believe these measures will help to rebuild consumer trust by improving transparency of the profitability of energy companies.

We also support of Ofgem's proposal not to take forward work on publishing capital employed as we believe that the measure would be of limited value. Similarly, we do not see any need for disaggregation of the non-domestic sector. If Ofgem intend to revisit this proposal in future, consideration should be given to an assessment of the intended audience of the Statements and the objectives they are intended to meet. It is not clear how either this proposal or the provision of further details of the recovery of third party costs would enhance the Statements.

However, we would reiterate our view that in terms of providing useful information to potential new entrants to the energy supply market, Ofgem should give further consideration to the rationale for excluding smaller suppliers from this obligation based on the customer number threshold.

We will continue to engage with Ofgem in a constructive manner in order to arrive at the best possible outcome for consumers in the GB energy supply market. Please contact me on 01738 456726 if you wish to discuss any the points raised in this response.

Yours sincerely

A handwritten signature in black ink that reads 'Roger Hutcheon'.

Roger Hutcheon
Regulation

