

David Hunt Retail Markets Ofgem 9 Millbank London SW1P 3GE Head Office Inveralmond House 200 Dunkeld Road Perth PH1 3AQ

Telephone: 01738 456726 roger.hutcheon@sse.com

21 December 2012

Dear David,

## **Retail Market Review: Updated Domestic Proposals**

Thank you for providing SSE with the opportunity to respond to Ofgem's Retail Market Review: Updated Domestic Proposals. Our response consists of a non-confidential Executive Summary and a confidential Appendix containing our answers to the specific questions raised in the consultation document. We will send a redacted version as soon as possible for publication on Ofgem's website in due course.

We welcome areas where the Updated Domestic Proposals have been modified in light of responses received to the previous consultation and the subsequent dialogue with stakeholders. SSE broadly welcomes the direction of travel of the RMR, but we have significant concerns which we discuss fully in our response in the following areas:

- Disproportionate prescription of content on customer communications, with a real risk of increasing customer confusion through the poorly developed proposals for information on bills;
- If Ofgem is to introduce a cap on core tariff numbers then it must be applied in a clear and robust manner there should be no loopholes allowing additional tariffs for dual fuel, collective switching or white label;
- · Ofgem must provide clear criteria for success;
- Ofgem must recognise the scope for unintended adverse consequence for competition, and recognise the likelihood that the proposals will result in a reduction in switching.

If Ofgem address these issues as well as those described in more detail in our response, we believe that the RMR proposals can contribute towards our shared objective of rebuilding consumer trust in energy suppliers. We believe that Ofgem has correctly identified many of the key issues that need to be addressed. Tariff simplification and clear comparisons of different tariffs and service options have been at the core of SSE's Building Trust programme. We welcome Ofgem's intention to introduce measures that would provide the same simplification across all suppliers.

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 of these issues, or the other points raised elsewhere in this response.

Yours sincerely,

Roger Hutcheon **Regulation**, **Markets**