



Barry Coughlan
Retail Market Policy
Ofgem
9 Millbank
London
SW1P 3GE

Head Office
Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ

25th July 2014
Sam.torrance@sse.com
01738 512385

Dear Barry

Open letter consultation on the modification of relevant licence conditions to enable the delivery of the Government Electricity Rebate (GER)

Broadly speaking, SSE support Ofgem's proposals to modify the electricity supply standard licence conditions to enable the delivery of the GER. We believe that the proposed licence modification provides a clear framework to enable the delivery of the rebate.

SSE believes that the costs of government schemes should come off energy bills altogether and be paid for through general taxation. Therefore, SSE is supportive of any work by Government and/or Ofgem to reduce the costs of environmental and social schemes and providing a partial refund of these costs back to customers. While the GER is a welcome intervention on behalf of customers, we believe that the rebate must be implemented as efficiently and transparently as possible in order to ensure maximum benefit for customers and to ensure that energy suppliers do not face unnecessary costs.

Although we appreciate that Ofgem are not defining the specific criteria that must be met in delivering the rebate. We would like to take this opportunity to share some of our concerns which we have raised within our DECC consultation response¹ regarding the potential cost and timing implications involved in implementing the GER.

SSE would strongly encourage DECC and Ofgem to make the qualifying date a working day and if possible a Friday. Given the large size of our customer base and the short period in which we have to prepare for the delivery of the GER, we believe that Friday 17th October would be a fairer qualifying date rather than the 12th October which is currently proposed

¹ 17th July 2014, DECC £12 rebate consultation – SSE response



within the DECC draft direction. This would allow us the necessary time to prepare our systems and would result in fewer manual follow ups.

As noted in our response to the Ofgem open letter consultation on 27 May 2014², we would like to echo our comments regarding the substantial costs which will be involved in providing the GER to electricity customers and in particular our prepayment customers. We believe that some of these administering costs for delivering the scheme should be covered by DECC.

Finally, it's essential that Ofgem and DECC are aligned to avoid any unnecessary duplication of monitoring and reporting. We agree with the need for monitoring and auditing obligations, however, we would like to stress that any auditing activity should be kept as simple and straightforward as possible and not occur until after the scheme year has closed, i.e. after March.

We look forward to discussing the GER scheme with Ofgem and DECC at the pre-implementation meeting which we have organised on Monday 4th August. However, if you would like to discuss any of our comments in more detail in the meantime, then please do not hesitate to get in touch.

Yours sincerely

Sam Torrance
Regulation Analyst

² <https://www.ofgem.gov.uk/ofgem-publications/88433/sse.pdf>