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**Subject:**

FW: Managing Network Charge Bad Debt

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**From:** [REDACTED]@sse.com]

**Sent:** 03 September 2020 12:31

**To:** Reg Finance <[RegFinance@ofgem.gov.uk](mailto:RegFinance@ofgem.gov.uk)>

**Cc:** [REDACTED]

**Subject:** Managing Network Charge Bad Debt

Dear Mick,

Further to your open letter dated 7 August on managing network charge bad debt arising from COVID-19-related deferred network charge payments, we support the ENA response that is being submitted.

We continue to welcome the provisions to allow outstanding bad debt to be recovered within the year 2021/22 through a forecast element with subsequent true-up the following year. Indeed, we believe there is merit in retaining this approach for bad debt recovery in general on an enduring basis.

We would encourage Ofgem to share with us its revised licence drafting to implement its proposals, including the consequential changes to Regulatory Reporting. We are mindful of the tight timescales surrounding this work and we believe it would be prudent for Ofgem to share a further draft ahead of the required Statutory Consultation to give affected parties the opportunity to test the 'mechanics' of the drafting and ensure that it is delivering on your intent.

Kind regards, Gill.