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Dear Marcus,

Open letter consultation on proposed changes to the SOR requirements

Thank you for providing SSE with the opportunity to respond to Ofgem's further proposals on changes to the Social Obligations Reporting (SOR) requirements. As noted in our response to the Smart prepayment for a smarter market consultation published in September 2015, we are keen to engage with Ofgem to find the optimal changes for the SOR.

We are grateful that Ofgem has taken on board the concerns over its original proposals and has decided to re-consult.

Overall, we are supportive of the changes proposed in this open letter consultation. Our responses to the specific questions asked are set out in **Annex 1**. This response is **non-confidential**.

Please get in contact with me if you would like to discuss further any of the information we have provided in this response.

Yours sincerely,

Fiona Casey
Regulation, Markets

Annex 1: SSE response to consultation questions

Question 1: Do you agree with our proposed approach to monitor, through our Social Obligations Reporting, the availability of cash as a top-up method? If not, please:

- explain why
- suggest and explain any alternative approaches we should consider.

SSE agrees that Ofgem's approach to monitoring the availability of cash as a top-up method (by using data from the newly proposed SOR data point, alongside engaging directly with suppliers and using other sources of information) appears sensible.

Question 2: Do you agree with our proposed data points for inclusion in the SOR (on the number of times a supplier's customer base tops up per top-up channel and the number of smart meter consumers on prepayment), the frequency with which we propose to collect them, and the starting point for collecting them? If not, please:

- explain why
- suggest and explain any alternative(s).

The number of times a supplier's customer base tops up per top-up channel/method

Data point

We had expressed a number of concerns over the original data point which sought to monitor the number of customers who 'actively asked' for alternative top-up methods. We are therefore pleased to see Ofgem consulting on this new data point.

Ofgem's proposal to monitor the number of times each prepayment top-up channel has been used in the reporting period will be a far less onerous data point for SSE to report on than the original data point would have been. We also believe that it will give a more representative view of the availability and use of different top-up channels than what the original data point would have given.

Frequency

We agree that monitoring this data point at annual frequency seems reasonable.

Starting point

We agree that it seems sensible to begin reporting on this data point at the same point in time as the other data points which Ofgem has consulted on previously.

Number of smart prepayment customers

Data point

We feel that this data point seems sensible and will not be unduly onerous to report on. We presume that the details of the data point itself remain the same as per Ofgem's September



2015 consultation (i.e. that the data point will still be a snapshot of the position at the end of the reporting period).

Frequency

We agree that monitoring this data point at quarterly and annual frequency seems sensible.

Starting point

We agree that it is sensible to push back the starting point for this data point to align with the other changes to the SOR.