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Dear Sophie,

Ofgem's proposal to revise the Typical Domestic Consumption Values for gas and electricity, including additional information on the peak and off-peak split for Economy 7 meters, and on the mean consumption for restricted meter customers.

Thank you for the opportunity to respond to the above Ofgem open letter. SSE agrees with the proposal to revise down Ofgem's Typical Domestic Consumption Values (TDCVs) for gas and electricity. However, we are concerned that the proposed implementation date will prove challenging. Historically, when TDCVs have been revised the implementation period has lasted an average of three months. Ofgem is now proposing to provide less than two months.

SSE welcomes the revision of the estimates for the TDCVs for gas and electricity will reflect the drop in consumption, which itself is a reflection of the strides made towards helping energy consumers improve in the area of energy efficiency. As a keen market participant, it is our view that Ofgem's routine review of its processes to make sure the market is fit for purpose and works for the consumers as it should is responsible, commendable and one to be supported. The importance of TDCV to the stakeholders of the energy market should not be understated and whilst the requirement to include the Tariff Comparison Rate on bills and customer communications has now been removed, TDCV is still of great value in derivation of bills and quotes for market analysis, research and operations on a general scale.

We support the methodology being used to determine these estimates and the determination of mean consumption values for customers with restricted electricity meters under Profile Class 2. SSE is supportive of the proposed split of 58% peak to 42% off-peak for



Economy 7 meters. Whilst we are supportive of Ofgem's proposal, the suggested implementation timescale is causing concern. The target date for implementation will be challenging as it is not feasible to implement a vast number of updates prior to 1 September 2017. We are concerned that updating fulfilment, digital platforms, customer correspondence, scripts and staff training is not achievable within the desired timescale.

Ofgem's open letter notes that final confirmation of the proposed TDCVs will be received in the latter part of July. This will result in an even tighter timescale and we would therefore request that Ofgem extends the implementation period with the new values taking effect 1 November 2017, or three months after the publication of final decision date. This would reflect the implementation timescales in previous revisions of Ofgem's TDCVs.

In conclusion, SSE is supportive of the proposals but would like Ofgem to take into consideration our points around the issues that we perceive as limiting to the successful delivery of the project. We look forward to further engagement with Ofgem on the matter should you wish to discuss this further.

Kind regards
Abiye Martyns-Yellowe

Regulation
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