

Andy Burgess
Head of Enforcement and Competition Policy
Ofgem
9 Millbank
London
SW1P 3GE

30 October 2009

Dear Andy,

DIRECT DEBIT ARRANGEMENTS

Thank you for the opportunity to respond to the statutory consultation dated 2 October 2009, concerning suppliers' direct debit arrangements with domestic customers.

We remain disappointed that Ofgem still feels a regulatory response is desirable in the absence of a clearly identified market failure. Ofgem's proposal to move to licence requirements is, we feel, disproportionate to the problems identified in the Report which itself recognises that suppliers have taken action to address some of the issues identified. It also suggests a trend of increasing micro-management by licence of almost all aspects of customer service.

However, we are satisfied that the requirements of the proposed standard condition amendments are reasonable and that any necessary procedural changes can be put into effect by the proposed implementation date of 18 January 2010. Accordingly, I can confirm that the licensees owned by ScottishPower do not object to the proposed changes to the electricity and gas standard conditions.

By way of representation, we would suggest that you delete the word "Principal" in paragraph 27.15 of each condition. This word is not referred to in the decision document and it seems to us better to rely on the underlying meaning of "Principal Term". For example, a term limiting 27.15 in response to a specific request from the customer would not be a Principal Term, but one limiting it at our discretion would be.

If you have any questions on this response please contact me using the details printed below or Pamela Kelly, our Energy Retail Regulation and Compliance Manager, on 0141 568 3231.

Yours sincerely



RUPERT STEELE
Director Of Regulation