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Dear Andy

**Proposed modification to Condition 27 of the Gas and Electricity Supply Licences, addressing Direct Debit arrangements**

Thank you for giving SSE the opportunity to examine the proposed amendments to the Gas and Electricity Supply Licences, following Ofgem's Decision Document and Statutory Consultation of 2<sup>nd</sup> October 2009.

Throughout Ofgem's investigation into Suppliers' direct debit arrangements, SSE has held firm the opinion that no new Licence Condition is necessary. However, as indicated in our response to Ofgem's consultation, we consider that a broad condition is preferable and we therefore we have no major objection to Ofgem's proposals.

We have noticed one drafting error, which has already been notified to Ofgem, namely that the Gas Supply Licence modification drafting incorrectly refers to electricity in paragraph 27.15 and in the definition of Credit. We consider this is capable of being rectified in the final direction without requiring another consultation.

Notwithstanding the above, we accept the modifications to both the Gas and Electricity Supply Licences on behalf of the following licence holders:

Domestic gas supply: Atlantic Gas Limited; Scottish Hydro Electric Gas Limited; Southern Electric Gas Limited and Swalec Gas Limited; and  
Domestic electricity supply: SSE Energy Supply Limited; and South Wales Electricity Limited.

Yours sincerely



Rob McDonald  
**Director of Regulation**