

Fergus Ewing MSP
Minister for Business, Energy and Tourism
The Scottish Government
St Andrew's House
Regent Road
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From: Roger Witcomb
Panel Chair

Our ref: Energy MI

19 January 2015

Dear Mr Ewing

CMA Energy Market Investigation

Thank you for your letter of 19 December 2014 stating your concerns about the operation of the retail energy market in Scotland and the attached analysis which sets out these concerns in more detail. I will ensure that your letter is circulated to my fellow CMA Panel Members who are assisting me in carrying out our investigation.

During the course of our investigation, we have recognised the need to take account of the particular characteristics of different segments of the energy market in Great Britain and any concerns about competition that might arise from them.

Your letter sets out a number of concerns you have about how well competition works in the energy market and how this impacts on consumers in Scotland. Evidence about several of these issues has already been provided to us by a number of parties, including Citizens' Advice Scotland, and we will consider your further evidence on these matters as well.

We also note your concerns about the effect on competition of the various regulatory interventions which have occurred in the past few years, and I can assure you that we are also looking closely at this issue.

We would welcome any further evidence about the functioning in Scotland of the energy market that you would like to provide to us, and we look forward to hearing from you further as we progress our investigation, which is scheduled to publish its final report in December of this year.

Regarding your comments on the recommendations published by Lord Smith, I have passed these to Alex Chisholm, Chief Executive of the CMA, for his information. In line with our normal practice we have published your letter and the attached analysis on our website, and we will also publish this response as well. We will bring our correspondence to the attention of BIS and Ofgem.

Yours sincerely

Roger Witcomb

Panel Chair

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