

Competition and Consumer Policy Directorate
Department of Business, Innovation and Skills
3rd Floor – Victoria
1 Victoria Street
London
SW1H 0ET

SSE
Inveralmond House

23 March 2015

Dear Sir/Madam,

Re: Consultation on collaboration between economic regulators

Thank you for the opportunity to respond to the above consultation. This response is on behalf of SSE and SGN, who have interests in the generation, transmission, distribution and supply of electricity; the production, storage, distribution and supply of gas; provision of water and sewage services; and the provision of telecommunications network and retail services.

We are supportive of collaboration between regulators and believe that this could bring benefits both for consumers and for regulated companies. To this end, replacing the Joint Regulators Group with the more formal and structured UK Regulators Network (UKRN) is a positive step.

Notwithstanding our support of the general approach towards cross sector working, it is important that the often significant differences between the various sectors continue to be recognised. A solution that fits for one sector will not necessarily fit for another. There are different business risks to consider when looking at different sectors and these must continue to be taken into account. We would be concerned if it was presumed that a decision in one area would set a precedent for another.

In terms of how the UKRN will work in practice, the timing of projects and the stage at which the UKRN become involved must be carefully considered to ensure that any recommendations can be appropriately acted upon. This will also ensure that any disruption to the industry is minimised where projects are already underway and changes already being implemented. An example of where this could be relevant is Ofgem's consumer research project, which is already well underway.

We agree with the point made under Chapter 2, that joint working should be focussed on areas where there is a strong case for doing so. However we note that there is no detail given in the consultation on the criteria against which a case would be measured as 'strong'. It would be useful if some more detail was provided and perhaps consulted on.

Finally, we would caution against Option 3 as mentioned in Chapter 3, and believe that this would be an unnecessary intervention. We are not aware of any evidence indicating that this is necessary; indeed we would expect regulators to cooperate willingly and anticipate that the UKRN will assist in leading and structuring this cooperation, without additional regulatory intervention. If you have any questions or comments, please do not hesitate to get in touch.

Yours sincerely,

[Redacted signature]

Regulation, Markets