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ERGEG
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Dear Mrs Shortall,

ERGEG Guidelines for Good Practice on Information Management and Transparency in Electricity Markets

Scottish and Southern Energy (SSE) is one of the largest energy companies in the UK. It is involved in the generation, transmission, distribution and supply of electricity; energy trading; the storage, distribution and supply of gas; electrical environmental and utility contracting; domestic appliance retailing; and telecoms.

I am therefore writing with SSE's comments on the ERGEG consultation on Guidelines for Good Practice on Information Management and Transparency in Electricity Markets. In general, we are supportive of requirements to improve information transparency in markets that are not fully open to competition. Markets that are already fully open tend to have sufficient levels of information transparency to enable market players to compete effectively. The GB market is already fully competitive and the information available is generally consistent with the guidelines for good practice.

Moreover, the governance of the GB-wide trading arrangements allows market participants to propose modifications to the industry codes. This means that, where market participants desire more information, they can suggest a change to the industry codes which would be approved or rejected by the Regulator, as appropriate. There is therefore no benefit to be gained by EU guidelines specifying information to be published in GB – our market already addresses this issue. Indeed, there are a number of items as specified below, which, we believe, go beyond the information necessary to achieve efficient market operation. This information would put additional burdens on market participants for no particular benefit and should not, in our view, be included in the guidelines.

We have set out our comments on the particular tables below. Our comments are not confidential.

Table 1

We do not believe that publication of forecast margin up to a year ahead would allow market participants to make investment decisions. This is better achieved by the publication of long term statements up to ten years ahead of forecast demand and generation capacities.

Table 2

We do not believe average physical flows vs thermal ratings of transmission lines will provide meaningful information on congestion. This is because, for operational security reasons, the physical flow is often considerably lower than the thermal rating to ensure that the system is robust to the loss of plant and equipment.

Table 3

We do not believe that it is appropriate to publish forecast outages of generation plant (other than mothballed plant, which should be detailed in the long-term statements mentioned in table 1 above). Also, the information regarding hydroelectric generation is, we believe, only relevant where such generation forms a substantial proportion (greater than say 20%) of the generation market. Otherwise, this would be a disproportionate burden on smaller generators. We would therefore be particularly opposed to enforced publication of this information for no benefit to GB customers or the market.

Yours sincerely,

Rob McDonald
Director of Regulation