

SCOTTISH AND SOUTHERN ENERGY PLC SUPPORT FOR FUEL POOR CUSTOMERS

11 April 2008

Scottish and Southern Energy plc (“SSE”) has agreed with the Department for Business, Enterprise and Regulatory Reform to provide additional support for vulnerable electricity and gas customers in the period to March 2011. The UK government has stated that given the substantial commitment that an agreement of this kind represents, it will not expect companies to do more over the period 2008-11 on social assistance.

Under the agreement, SSE will operate existing and new schemes with a total value of around £16m in the first phase, up to 31 March 2009. These schemes will be designed to assist the fuel poor and those vulnerable to fuel poverty. They will feature a variety of approaches such as ‘social’ tariffs, charitable donations, bespoke services for vulnerable customers, work with advocate organisations and community-based programmes.

In support of this agreement, SSE has today published a Code of Practice for Fuel Poor Customers, following consultation with consumer and voluntary organisations.

It contains two key principles:

- Energy suppliers should ensure that any ‘social’ tariff which they offer to fuel poor customers is the lowest-cost tariff made available by them to any type of customer, via any type of payment plan or sign-up method; and, as an additional safeguard,
- Energy suppliers should ensure that their ‘social’ tariff for customers is lower than average direct debit tariffs in the UK.

SSE's 'social' tariff, 'energyplus care', conforms to these principles. It offers householders a discount of 20% on their energy bills and a variety of other services to help them better manage their energy consumption. In order to provide additional support for vulnerable electricity and gas customers, SSE has today committed to quadrupling the number of customers who benefit from 'energyplus care', to 100,000 customer accounts, over the next year.

Ian Marchant, Chief Executive of SSE, said:

'The single biggest contribution which energy suppliers can make to preventing fuel poverty is to keep prices as low as possible for as long as possible. For this reason, SSE will maintain its long-established responsible pricing policy: we will seek to be the last, or one of the last, of the major suppliers to increase prices if we have to and the first, or one of the first, to cut prices if we can.

'The next biggest contribution which suppliers can make is to ensure social tariffs are genuine. Vulnerable customers need the lowest prices available, not simply a tariff labelled 'social', and that principle is at the heart of our new Code of Practice. Many previous claims about spending on 'social' tariffs do not conform to this principle. Our social tariff does, and we are going to quadruple the number of customers who benefit from it.

'Determining how best to deliver this extra support for vulnerable customers will present a number of challenges. The issues are not straightforward. Nevertheless, we are committed to the effective and transparent delivery of this £16m programme, in accordance with the Code of Practice we have now adopted.'

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