

By email to andrew.macfaul@ofgem.gov.uk

29th August 2013

Consultation on the proposed REMIT penalties statement and procedural guidelines

Thank you for the opportunity to respond to the above consultation. This is a non-confidential response, which represents the view of the Centrica group of companies, excluding Centrica Storage Ltd.

Rather than address the questions contained in the consultation letter, we have raised a few overall comments.

We support Ofgem's adoption of a consistent approach across DECC's published regulations, the Authority's existing guidelines and penalties statements and the FCA's penalties and procedures. We agree that promoting a consistent approach in both the short and longer term is highly desirable.

Due to the potentially significant negative media impact, to both the industry and individual parties, of a REMIT investigation (whether or not a breach has actually occurred), we request that Ofgem duly consider this when taking the decision on whether to initially publicise an investigation. Obviously, if it becomes more apparent that a breach has taken place, it will be appropriate to publicise any on-going investigations.

To aid communication channels, Ofgem should request and be aware of the correct contacts within each company to ensure that any notice of an investigation into a suspected breach is communicated to the most appropriate person. We further suggest that detailed communication during an investigation would be beneficial to both Ofgem and the person/company being investigated.

We are a little concerned over the wording of paragraph 3.5 of the statement of policy for financial penalties. It is a little ambiguous on whether a person/company could be investigated and fined twice for the same breach. We suggest that this paragraph should be updated to remove this ambiguity and to ensure that regulators and authorities co-operate with each other to ensure that any breaches are effectively addressed, without any parties facing double jeopardy. This is similar to the concurrent jurisdiction Ofgem has with other regulators (in particular the OFT), which we suggest should at least be extended to the FCA. We further suggest that there should be a co-ordinated approach across all NRAs to ensure efficiency in investigation requests.

As always, if you wish to discuss the comments raised in this response, please contact me using the details below.

Kind regards,

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