SEEBOARD

Our ref: Markmar02f 1 /AJ

1 2<sup>th</sup> March, 2002.

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SEEBOARD plc

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Dear Dear D.

Marketing Gas & Electricity – Extending the Licence Condition

Thank you for the opportunity to comment on the above consultation document. We firmly believe that good marketing practice and a well-trained and managed sales force are essential to the continued development of fair competition in the energy marketplace. We are active members of the Association of Energy Suppliers (AES) and fully support the current industry initiatives to eradicate mis-selling from the industry.

OFGEM's decision to remove price controls on Supply businesses has confirmed that competition within the gas and electricity markets is well established. However, we recognise that continued customer confidence in the switching process can only be maintained through Industry co-operation to maintain good sales and marketing practice and address any problem areas or issues of concern.

We would, therefore, support OFGEM's proposal to extend the marketing licence condition for a further two year period. We already comply with all of the requirements within the current licence condition, and indeed in many areas exceed them. We feel that the current licence condition is appropriate and does not require modification to extend Ofgem's powers in the area of marketing. We hope to see Ofgem continue to use its powers to fully enforce the current legislation and regulations already in place within the industry.

We believe that the Industry initiatives currently underway, and the pressures of the competitive market to provide excellent service, will render the continued existence of the marketing licence condition unnecessary by the time of the next review in 2004.

Yours sincerely

- Dr. A. F. Jackson Director of Strategy and Regulation