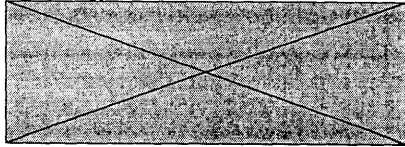


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11 th March 2002

Mr. P. Beard
Head of Compliance
Ofgem
9, Millbank
London
SW1P 3GE

Dear Paul

Marketing Gas and Electricity – Consultation Document (February 2000)

We thank you for the opportunity to comment on Ofgem's Consultation Document on the proposed extension of the existing licence conditions covering the sale of gas and electricity, and also on whether the marketing conditions should be modified to be made more effective.

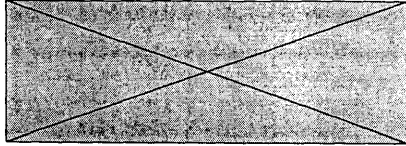
This letter constitutes Innogy's response through its retail activity under the npower brand.

Firstly with regard to the proposal to extend the existing marketing conditions for a further two years, expiring in March 2004, we are happy to support this and extend the current arrangements. npower has placed considerable emphasis on "best market practices" in recent months and to this end have invested heavily in many new initiatives that are geared towards improving the sales and marketing activities of both gas and electricity.

Within the scope of the existing licence conditions we believe that the relevant aspects to protect customers from inappropriate sales activity and encourage good sales practice are already in place. The present licence condition covers staff selection, training, sales agent identification, doorstep and telephone sales audits, sales in public places, contract cancellation, maintaining contact with the customer if there is a delay and complaint management. Bearing in mind the other consumer protection legislation that currently exists – The Trade Descriptions Act, The Stop Now Order Regulations, Consumer Protection Distance Selling Regulations and The Unfair Terms in Consumer Contract Regulations – we do not feel there is any need

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We note from the consultation that Ofgem are proposing to carry out various pieces of work during the coming year. This includes research into suppliers interpretation and implementation of the audit requirement within the licence, as well as working more closely with the Office of Fair Trading, Local Authority Trading Standards Officers and the police to facilitate better enforcement, particularly to address cases of fraud and forgery. npower look forward to receiving details of the outcome of these initiatives.

We trust you find our response constructive. npower continue to support the development of improved marketing practices and are very much involved in the continued drive to offer consumers a professional and honest service in the marketing of gas and electricity.

Yours sincerely

Ian Potter
Economic Regulation

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