

Annette Lovell
Head of Customer Contact and Compliance
Ofgem
9 Millbank
London SW1P 3GE

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Dear Annette

Ofgem's Approach to Securing Compliance

We appreciate Ofgem's publication of this document and the clarity it gives to Ofgem's process.

We agree with the proposed priorities expressed in Section 5.

Publication of a decision to undertake a formal investigation (Para 6.12) is desirable, but should not be mandatory. The publicity surrounding such an announcement has the potential for causing distress and confusion amongst customers, particularly those who may have been affected by a potential breach of licence conditions.

It would be best if customers were informed by the party being investigated. This may take some time to arrange, particularly if redress is appropriate. The timing of any public announcement should be at the discretion of the party being investigated. Since cooperation with Ofgem is a mitigating factor in any financial penalty, potential offenders have a strong incentive not to unnecessarily delay giving their consent.

There will be circumstances where the interests of affected customers are outweighed by the benefit of alerting a wider audience to a problem, but such circumstances should be rare in the case of licence breaches and in any case the issue can be communicated direct to relevant industry parties.

Please do not hesitate to contact me if you wish to discuss these issues further.

Yours sincerely

Graham Kirby