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John Costyn
Office of Gas and Electricity Markets
9 Millbank
London
SW1P 3GE

**GAZ DE FRANCE MARKETING
LTD**

1 City Walk
Leeds
LS11 9DX
United Kingdom

tel: +44 (0)113 306 2000
fax: +44 (0)113 245 1515

www.gazdefrance.co.uk

REGISTERED IN ENGLAND
NO. 1236804

Dear Mr Costyn

**Response to your consultation on the Fuel Mix Disclosure Proposed
Supply Licence Amendment of July 2004 Reference 171/04**

Thank you for the opportunity to respond to the proposed amendment to the Supply Licence in order to facility transparency around fuel mix disclosure following the requirements imposed by Article 3(6) of Directive 2003/54/EC. Gaz de France Marketing Ltd, trading as Gaz de France ESS, was encouraged by the exchange of views at your August 5th workshop and would hope that further clarification, and opportunity for input is offered as the proposals in this area develop following this initial consultation

Response to issues raised in your consultation

In the interim with regard to the specific issues raised within your consultation, we would wish to submit the following views.

Paragraph 2.5 includes reference to information disclosure to be provided within promotional material. In order for Suppliers to ensure compliance we would require additional accuracy within the definition of scope embraced by this term. The consultation states that the draft licence currently refers to "*promotional materials*" includes but is not limited to *materials handed out or sent directly to customers*'. This definition should include specific examples of the type of promotional material to be included and excluded from within this obligation.

If this is applied to a form of supplemental information included once a year with a customer's bill then this could be achievable. However were this to include for example website promotions or newspaper advertisements then this would entail additional costs and effort beyond current expectations. Early clarification would be welcome.

Paragraph 2.8 states that the *'denominator for the calculation of fuel mix percentages should be the sum of the amounts supplied as notified to the DTI in compliance with the Renewables Obligation'*. Gaz de France ESS would require early clarification regarding the considerations around the treatment of losses with regard to this specific disclosure. Losses are taken into account in submissions to the DTI but not those to Ofgem. We were concerned that this could provide for a disjoint in the accuracy of information provided by generators and suppliers? Confusion or challenge to the accuracy of information could then follow.

The consultation was unclear with regard to the timetable of submissions, validation of data and subsequent confirmation of values. There appears to be a potential disjoint around submission dates to both Ofgem and information received from the DTI. Early clarification is required in order to ensure that our business has adequate time to formulate appropriate internal processes in a timely and efficient manner.

The draft licence also refers to in Paragraph 8(d) a *'statement that the generator has not issued generator declarations and been issued with guarantees of origin in respect of electricity assigned to suppliers in the preceding year in relation to an amount of electricity exceeding the output of the generating station in that year'*. It was agreed at your workshop that this required a better, less ambiguous definition. We look forward to reviewing a further draft of this clause.

The consultation refers in paragraphs 2.16 through to 2.18 under the verification, compliance and audit headline to events that may occur once Ofgem have been provided with data and their subsequent potential for evidence gathering. Gaz de France ESS understand that clarification was sought at your workshop about the heavy-handed nature of this provision. In addition further information was to be provided around data retention. We look forward to an opportunity to comment once development in this area has been circulated for further review.

Reference is made in Licence condition 5 to the fact that *'Once the licensee has supplied electricity for a full disclosure period, it shall provide the information required to be produced under paragraph 2 and 3 no later than 1 July immediately following the end of the disclosure period, and shall update that information no later than 1 July each year thereafter'*. This paragraph requires clarification regarding the intent of the licence here. Is this meant to refer to subsequent information updates?

Ofgem stated that there should be some standardisation across suppliers regarding the presentation of tabular information to consumers. We would appreciate early notification regarding the design phase and would hope to offer input at the appropriate time.

Summary

We look forward to the opportunity to review and comment upon a further draft of this new licence provision once you have had time to consider responses to this consultation. We hope to see information regarding the near final draft licence condition as soon as practicable in order that we have sufficient time to develop our internal processes to ensure full compliance with this new obligation.

Should you require further information please feel free to contact me at the address above.

Yours sincerely

Barbara Vest
Regulatory Affairs Manager