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E.ON  
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SSE  
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*Promoting choice and value for  
all gas and electricity customers*

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Date: 6 June 2012

Dear Colleague

### **Improving the Reporting Transparency of Large Energy Suppliers**

As part of the Retail Market Review, Ofgem appointed the accountancy firm BDO to review the way in which energy suppliers provide information about the profitability of different parts of their vertically integrated businesses. As a result of this review we put forward proposals in January 2012 (Reference 09/12) which would change the way in which companies provide this information. Following the consultation, we amended our proposals and issued a second consultation (Reference 64/12) which closed on 30 May 2012.

As stated in our second consultation document, Ofgem intends the 2011 Consolidated Segmental Statements ("Statements") to be prepared under the new requirements. This open letter confirms that intention and to that end we will issue a further letter pursuant to the new SLC 19A (3)(b) and SLC 16(3)(b) (after the formal Decision to amend the licence and before the commencement of the licence condition) specifying the date by which the 2011 Statements should be submitted. For the avoidance of doubt, we will revert to the original timeframe for submission of the 2012 Statements under the amended licence condition.

Notwithstanding the above, we are mindful of the existing requirement on five of the relevant licensees under the current licence condition to submit the 2011 Statements by the end of June 2012. Therefore, Ofgem has decided not to enforce the obligation under SLC 19A.1 of the electricity and gas supply licence and SLC 16.1 of the electricity generation licence to submit the 2011 Statements by 30 June 2012. However, bearing in mind the work already undertaken to prepare the Statements, we are happy for the relevant licensees to submit and publish their 2011 Statements by 30 June as this will facilitate further transparency and comparability with the results prepared under the proposed licence condition.

If you have any queries or questions in respect of these changes then please contact Stefan Bojanowski ([stefan.bojanowski@ofgem.gov.uk](mailto:stefan.bojanowski@ofgem.gov.uk)).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Andrew Wright', written over a single horizontal line.

Andrew Wright  
**Senior Partner, Markets, Ofgem**