

Stefan Bojanowski
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30th May 2012

Dear Stefan,

Improving the Reporting Transparency of Large Energy Suppliers

1. Centrica remain supportive of Ofgem's work to improve the transparency of vertically integrated energy companies' financial publications. We believe the recent BDO investigation and this subsequent consultation are an important vehicle for delivering reform, and will improve the confidence the public have in the way in which vertically integrated companies operate.
2. We have set out detailed answers to the questions posed in the attached appendix, however we do have one key concern with Ofgem's proposals, specifically that the proposal to delay publication of the 2011 Segmental Statements will lead to less transparency.
3. This delay will mean that by the date of publication the data will be significantly out of date. The explicit purpose of these publications is to provide transparency over the actions of vertically integrated energy suppliers. However the proposed delay would render the 2011 statements almost irrelevant (and therefore of little value to either the industry or other stakeholders). This decision seems inconsistent with Ofgem and industry efforts to improve transparency.
4. We recognise that in order to include the proposed changes in the publication of the 2011 statements, Ofgem need to allow sufficient time to implement the proposed licence changes. The right balance between transparency and process can be struck however if Ofgem publishes the 2011 statements in June as intended and then publishes a subsequent update to those statements following the statutory consultation. This will enable the industry to demonstrate transparency as early as possible without delaying the benefits of the proposed change unnecessarily.

We would be very happy to meet with Ofgem to discuss the points raised both here and in the attached appendix if that would be helpful. I will be in contact shortly to see if such a meeting would be beneficial, but if you have any questions or concerns in the meantime, please do not hesitate to telephone me on (07789) 570501.

This response is submitted on behalf of the Centrica group of companies (excluding Centrica Storage), is not confidential, and may be placed on the Ofgem website.

Yours sincerely

David Watson
Head of Market Design & New Markets, British Gas