

Stefan Bojanowski
Energy Market Research & Economics Team
Ofgem
9 Millbank
London
SW1P 3GE

10th August 2012

Dear Stefan,

Improving the Reporting Transparency of Large Energy Suppliers

Centrica welcome Ofgem's ongoing 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 believe that Ofgem's current proposals will improve the confidence the public have in the way in which vertically integrated companies operate.

The proposal to exclude "costs" from the reconciliation is both sensible and appropriate given fuel, direct and indirect costs are not separately disclosed by suppliers in their Group accounts. Furthermore, we have no objection to describing which segment our Renewables Obligation and Feed in Tariff costs reside. We therefore support these latest minor amendments and believe the wider package of reform now proposed will improve the reporting transparency of large energy suppliers.

Please note that 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. If you have any questions or concerns regarding the content of this letter, please do not hesitate to telephone me on (07789) 570501.

Yours sincerely

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