

Graham Knowles  
Wholesale Markets  
Ofgem  
9 Millbank  
London  
SW1P 3GE

30 August 2013

Dear Graham,

**Pricing benchmarks in gas and electricity markets - a call for evidence**

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, coal and gas-fired electricity generation, renewables, and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including residential and business users.

EDF Trading is a leading participant in the wholesale energy market for electricity, gas, coal, freight, environmental products and oil. It offers market access services (i.e. access to wholesale markets to meet the needs of industrial participants) to all EDF Group subsidiaries, including EDF Energy, and also to third party customers ranging from utilities and commodity producers to banks, investment houses and governments.

EDF Energy and EDF Trading consider reliable pricing information is a necessary condition for a truly competitive market. Energy market participants that use index-linked prices in contracts are reliant on these being both accurate and robust. We agree with Ofgem that price benchmarks, in particular those published by price reporting agencies, provide market participants, regulators and others with reference prices. We believe that it is important that the regulation of pricing services is properly executed. We therefore fully support approaches that enhance the reliability of the price reporting process.

We note that the European Commission is developing a comprehensive regulatory framework for reporting indices which is expected to be tabled before the end of this year. We agree with the Commission that, in general, an increased reliance on transaction-based figures in the calculation of indices will be beneficial. Ofgem may wish to complement these proposals with further UK specific intervention.

**EDF Energy**  
40 Grosvenor Place, Victoria  
London SW1X 7EN  
Tel +44 (0) 20 7752 2200

**edfenergy.com**  
*EDF Energy plc.  
Registered in England and Wales.  
Registered No. 2366852.  
Registered office: 40 Grosvenor Place,  
Victoria, London SW1X 7EN*

Should you wish to discuss any of the issues raised in our response or have any queries, please contact Sebastian Eyre on 020 7752 2167, or myself.

I confirm that this letter may be published on Ofgem's website.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Angela Pearce".

**Angela Pearce**  
**Corporate Policy & Regulation Director**  
**EDF Energy**

A handwritten signature in black ink, appearing to read "Cemil Altin".

**Cemil Altin**  
**Head of Regulatory Affairs**  
**EDF Trading**