



EDF TRADING

80 Victoria Street
Cardinal Place, 3rd floor
London SW1E 5JL

T +44 (0)20 7061 4000
F +44 (0)20 7061 5000

Robyn Daniell
Office of Gas and Electricity Markets
9 Millbank
London SW1P 3GE

11/12/2014

Dear Robyn,

EDF Trading's response to Ofgem's Statutory consultation on proposed licence modifications to improve the transparency of energy company profits

EDF Trading welcomes Ofgem's consultation on the licence modifications that have been proposed to improve the transparency of energy company profits, including the proposal to modify the definition of 'Relevant Licensee' to clarify which licence holders are captured by the licence condition.

With respect to this definition, we would welcome additional clarification on the treatment of non-active licence holders. The current definition of 'Relevant licensee' and the Guidelines on 'Scope and Application of the Licence Conditions' imply that non-active holders of a supply licence that form part of a vertically integrated group where affiliate firms exceed the relevant thresholds could be required to obtain and publish information held by affiliate firms. This would be a duplication of information, as the affiliate firms would themselves be captured by the licence condition and would publish consolidated segmental accounts.

We therefore propose that the definition of 'Relevant Licensee' is amended for further clarity as follows:

"**Relevant Licensee**" means the holder of an gas supply licence granted or treated as granted under section 6(1)(d) of the Act if:

(a) it

- i. ~~supplies electricity to more than 250,000 domestic customers;~~
- ii. ~~supplies gas to more than 250,000 domestic customers;~~
- iii. ~~supplies electricity to more than 250,000 non-domestic customers; or~~
- iv. ~~supplies gas to more than 250,000 non-domestic customers, respectively; or~~

~~(a)(b)~~ ~~it together with~~ any of its Affiliates:

- i. ~~jointly-supplies~~ electricity to more than 250,000 domestic customers in aggregate; ~~or~~
- ii. ~~jointly-supplies~~ gas to more than 250,000 domestic customers in aggregate; ~~or~~
- iii. ~~jointly-supplies~~ electricity to more than 250,000 non-domestic customers in aggregate; ~~or~~
- iv. ~~jointly-supplies~~ gas to more than 250,000 non-domestic customers in aggregate, respectively; and

~~(b)(c)~~ it or any of its Affiliates is a holder of an electricity generation licence granted or treated as granted under section 6(1)(a) of the Act.



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Our view is that this suggestion is in line with policy intent and would make the application of the licence condition clearer.

Please do not hesitate to contact me, should you have any questions on this request for clarification.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Sofia Eng".

Sofia Eng
Regulatory Advisor
EDF Trading
Email: Sofia.Eng@edftrading.com
Phone: 020 7061 4363

