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**By email only**

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**Statutory Consultation on proposed licence modifications to improve the transparency of energy company profits**

Dear Robyn,

Thank you for the opportunity to respond to this consultation on proposed licence modifications to improve that transparency of energy company profits on behalf of npower and RWE Generation UK.

Broadly, we support the views of Ofgem and are very encouraged that our comments have been acknowledged.

We already retain appropriate and up-to date transfer pricing policies, and as stated the independent BDO report proved no distortion of profits has been taking place through this process. It is only prudent to consider a proportionate approach following CMA findings.

RWEnpower fully supports the proposed audit requirement for the CSS reporting.

We are encouraged that costs have not been considerably increased by maintaining the position where companies can reconcile to group accounts.

CSS statements should apply to all parties in a competitive market where some smaller suppliers also own generation assets. We do however understand the rationale behind delaying any decision until the findings of the CMA enquiry are published.

We agree that allocating Tax and interest values across business segments could only be arbitrary therefore would result in flawed results. Some other categories may present a challenge however.

RWEnpower is pleased that Ofgem continues to be mindful of their ability and duty to maintain a balance between transparency and competition within a very complex market.

We would be happy to discuss any issues we may have raised further at your convenience.



Yours sincerely,

Edward Hunter