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OFGEM'S CONSUMER FIRST PROGRAMME GATHERS MOMENTUM

- **New corporate strategy for Ofgem to concentrate on boosting its dialogue with consumers on energy matters**
- **Strategy being developed at time of profound review of energy policy in Britain and across Europe**
- **Ofgem's self-imposed price control has delivered over £5 million of savings**

Energy regulator Ofgem has today (Friday) published its Corporate Strategy for 2007-2012. A key feature of this is the launch of its Consumer First programme to improve the regulator's understanding of the developing interests and concerns of household energy consumers.

The initial stages of Consumer First are underway and include workshops to test consumer attitudes to environmental considerations.

The regulator is also reporting savings of more than £5 million under its innovative self-imposed price control regime. In 2005, Ofgem introduced curbs on its spending based on the same retail price index- (RPI-) linked control used in its regulation of the monopoly companies that own the electricity and gas networks.

Ofgem's Chairman Sir John Mogg said: "We are finalising our corporate strategy at a time of profound review of energy policy in Britain and across Europe. The European Commission's Strategic Energy Review sets an important new course for achieving open and competitive energy markets across Europe. Commitments at EU and GB Government level will continue to ensure that the protection of the environment also remains central to developing energy policy. Ofgem will continue to influence and respond to these key developments in the interests of British energy consumers and we plan to revisit our strategy later in the year to take account of developments.

"Consumer First demonstrates Ofgem's commitment to develop a stronger dialogue with domestic consumers and to tap into growing awareness of issues such as smart metering and microgeneration to help inform our policies.

"We will continue to operate under the self-imposed cost control regime which has delivered £5 million of savings to licence fee payers. Ofgem was the first regulator to set itself the same tough efficiency targets that it applies to the industry it regulates."

Ofgem's Corporate Strategy and Plan sets out the key challenges for the regulator over the next 12 months. These will include setting the first separate five-year price controls for the gas distribution networks and continuing to support the European Commission's drive to introduce a more competitive market in Europe.

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Notes to editors:

The Gas and Electricity Markets Authority will hold its annual public meeting on 21st June when there will be a further opportunity to comment on this strategy.

Other important initiatives include the development of a new website and building on our “Project Paperless” drive to ensure that our documents are accessible and not unnecessarily long or complex.

1. Ofgem’s Corporate Strategy and Plan for 2007-2012 is published on Ofgem’s website at www.ofgem.gov.uk.
2. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority (GEMA), the regulator of the gas and electricity industries in Great Britain. The Authority’s functions are set out mainly in the Gas Act 1986, the Electricity Act 1989, the Competition Act 1998 and the Utilities Act 2000. In this note, the functions of the Authority under all the relevant Acts are, for simplicity, described as the functions of Ofgem.

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