

**BOC's RESPONSE TO OFGEM PROPOSED CORPORATE STRATEGY, 2004-2007**

BOC welcomes the opportunity to set out its views on Ofgem's strategy and these are set out below. Ofgem notation is used in BOC responses.

**2. Creating and sustaining competition**

**Wholesale markets**

BOC supports the approach Ofgem set out in its work in wholesale markets. BOC believes that market monitoring is especially important at a time of rising market prices. BOC is pleased to see that Ofgem is rising to the challenge of encouraging reforms in European gas markets. BOC believes that more competition is required within European (including UK) gas markets.

BOC feels Ofgem's market monitoring and when necessary market investigation work is an essential part of fulfilling its duty to protect the interests of customers.

BOC continues to support Ofgem in its quest to improve access to gas market information especially offshore. BOC continues to raise this issue with the DTI who are hampered by their role as sponsoring department and regulator to the oil and gas industry.

**Industry structures**

BOC believes Ofgem's work in this area is vital to protect customers' interests. BOC feels that the electricity and gas markets are consolidated to such an extent as to greatly reduce competitive pressure and this gives concern that some market incumbents have too much market power which may be abused.

BOC supports Ofgem's through scrutiny of NGT's plans to sale any ND's.

**4. Helping protect security of Britain's energy supplies**

**Network investment**

BOC hopes that within the context of Government energy policy Ofgem will ensure that any required network investment provides value for money and a fair balance is struck between cost applicable to renewable power project developers and network customers.

**5. A leading voice in Europe**

BOC supports Ofgem's approach to the European market agenda, we feel this is important, especially as some of the largest energy players in Britain are based in France and Germany.

**6. Helping to protect the environment**

BOC believes that Ofgem should continue to play a useful role is informing customers, government and the world at large as to the cost of the multitude of Government supported or inspired schemes designed to play a part in the

Government's climate change programme. BOC believes that it is important to achieve the climate change targets as cost effectively as possible. The Renewable Obligation seems to be a very expensive approach on a cost per tonne of CO2 saved basis.

A handwritten signature in black ink that reads "Hugh Mortimer". The signature is written in a cursive style with a large initial 'H' and 'M'.

Hugh Mortimer, 2 October 2003