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5th April, 2004.

Mr. Alastair Buchanan Chief Executive Ofgem 9 Millbank London SW1P 3GE.

Dear Mr. Buchanan,

Proposed Corporate Plan

I am not going to go through Ofgem's line items for its unnecessarily large budget. But I do think that £860,000 for Europe is a gross waste of licence payers money. Ofgem never will have a leading voice in Europe (any more than Blair will) for the simple reason that given we are an electrical island, and consequently we are not party to the politics that drives the arguments that go on within and between (generally non-Nordic) continental member states and the Commission. In my opinion Ofgem's role should be to maintain a watching brief with the aim that it ensures (with DTI) that none of the proposals emanating from the Committee of European Regulators or the EC are disadvantageous to British interests. Otherwise, with the possible exception of issues related to wholesale gas supply, it should let the Commission and the continentals stew in their own messes. Ofgem should cut the budget to £150,000 and strictly limit the number of members of staff who go swanning off to Florence.

Yours sincerely,

ALEX HENNEY

c.c. Mr. Chris Chapman, Head of Planning.