Our Ref: JCC/JA/PS/JW ORG13-A1402 Your Ref: -

Directorate of Strategic Planning

If telephoning ask for: Jane Allan or Peter Singleton

23 April 2004

Mr Chris Chapman Head of Planning The Office of Gas and Electricity Markets 9 Millbank London SW1P 3GE

Dear Mr Chapman

OFGEM'S PROPOSED CORPORATE PLAN 2004-2007

Thank you for providing the Scottish Environment Protection Agency (SEPA) with the opportunity to comment on the above consultation document.

We are pleased to see adequate consideration given to protection of the environment, highlighting the important role Ofgem plays in administrating major Government environmental programmes. In view of this, we would like to take this opportunity to reiterate our call for closer working between our organisations. In our response to the proposed Corporate Strategy 2004-2007 in February, we emphasised the need for a joined up approach to energy issues and environmental protection and improvement to make sure that the necessary environmental improvements arising from legislation are satisfactorily addressed by the companies Ofgem regulates, as well as ensuring the coherence of various regulatory regimes. Ultimately this would lessen the regulatory burden on industry which would, in turn, help minimise energy costs to consumers.

It is apparent that this has not been acknowledged within this report, however, we consider that it could be incorporated by editing the final sentence of para. 2.8, to read as follows: "Ofgem also has an important role to play in administrating major Governmental environmental programmes in partnership with environmental regulators and other appropriate organisations." The addition of examples of such programmes may also be advantageous here, e.g. the Climate Change Programme and the Sustainable Development Strategy.

To this end, SEPA would like to be actively engaged in any strategic processes with an environmental and/or sustainable development dimension, including participation in your review of impact assessments during 2004 and formal involvement in Ofgem's Environmental Advisory group. We did request this in our previous response in February, but have received no reply on this matter.

As a public body committed to openness and transparency, SEPA feels it is appropriate that this response be placed on the public record. If you require further clarification on any aspect of this correspondence, please contact Jane Allan (jane.allan@sepa.org.uk) or Peter Singleton (peter.singleton@sepa.org.uk), SEPA Corporate Office, at the address shown below.

Yours sincerely

Professor James C Curran Environmental Futures Manager