

05 August 2004

Ofgem's three year strategy 2005-8

In September last year, we consulted on our corporate strategy for 2004-7. We received many contributions that greatly aided the development of our strategy. This letter invites you to contribute to the development of the next three year strategy, for 2005-8.

In order to assist us in determining our future strategy (the current 2004-7 strategy and plan are accessible at our website, www.ofgem.gov.uk), the Authority would welcome your views, in particular on the following:

1. the key challenges you consider the industry faces in the short to medium term (for example, structural, social, environmental or technological)
2. the action you consider the Authority should take to respond to these challenges
3. the priority of areas of work that you think we should tackle, in response to the challenges you identify.

Earlier this year we announced that that we would place ourselves under a cost control regime (RPI-X) with effect from April 2005, similar to that which we impose on the industry. Our Audit Committee, assisted by Chiene & Tait, will be responsible for determining and monitoring the regime.

Please send your comments, by email if possible, to Andy MacFaul, Head of Government Affairs (andrew.macfaul@ofgem.gov.uk). To enable us to take full account of your comments, we need to receive them by 1 October 2004.

Responses will be made available in the Ofgem library and published on the Ofgem website. This will enable others to see and consider a wide range of responses. However, should you wish your response to remain wholly or partly confidential, please indicate this clearly in your response. We shall also place a summary of the key issues raised by responses on our website.

Timetable

The timetable that we intend to follow in consulting on and developing the strategy is outlined below. Please note in particular that we will consult on a draft strategy and plan in January 2005 and publish the final version of the strategy in March 2005.

August 2004	Initial consultation on strategy for the next three years
October 2004	Deadline for responses
October/November 2004	Drafting of strategy for consideration by the Authority
January 2005	Publication of draft corporate strategy and plan 2005-8
March 2005	Deadline for responses
March 2005	Publication of corporate strategy and plan 2005-8

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Mogg', with a stylized flourish at the end.

Sir John Mogg KCMG
Chairman of the Gas and Electricity Markets Authority