

RESPONSES TO THE CONSULTATION ON THE PROPOSED CORPORATE STRATEGY AND PLAN 2005-2010

1. We received 22 written responses to our consultation on the draft Strategy and Plan. These responses, along with representations made at the meetings that we held in February and March, have informed the final Strategy and Plan. All the responses were non-confidential and have been placed on our website. We have already responded to several suggestions and a number of other comments will be helpful in developing our policy in particular areas going forward. This document summarises key points made by consultees and our response to them.

Creating and sustaining competition

2. Many respondents argued that Ofgem should progressively withdraw from regulation of the competitive wholesale and retail supply markets, and focus on ensuring sufficient transparency in wholesale markets. Some respondents stated that Ofgem should continue to monitor wholesale markets on a routine basis. **Ofgem is committed to withdrawing from regulation where competition is effective in protecting customers' interests. However, we have a continuing role to monitor competitive wholesale and retail markets and take enforcement action where necessary.**
3. Respondents generally welcomed the supply licence review, though some said that Ofgem should establish clear evidence that the licences act as a barrier to entry before conducting the review. Some concerns were raised that the review would be seen by Ofgem solely as an opportunity to deregulate. **Given our duties, such as having regard to the principles of best regulatory practice, and the competitive nature of the supply market, we believe that it is appropriate to review the supply licences. The review aims to develop clear and effective licence conditions that provide proportionate protection in the particular circumstances of the gas and/or electricity markets, in particular for vulnerable customers. It aims to make it easier for new companies to enter and compete in retail markets, and to provide a flexible framework within which these markets can evolve without the need for sector-specific regulation.**

4. One respondent noted that the deliverable on reviewing generation licences that appeared in the Corporate Plan appendix was not mentioned in the text of the Corporate Strategy. **We have removed this deliverable from the Corporate Plan appendix because we do not consider this project to be a priority for this year although some companies have recently suggested that we combine this project with the supply licence review - a suggestion that we are considering.**

5. Some respondents stated that Ofgem should focus on market liquidity and conduct an assessment of the impact on competition of increased concentration and vertical integration. **Ofgem takes these concerns very seriously and continues to monitor actively the competitiveness of the wholesale and retail markets. On liquidity, Ofgem will continue to discuss with stakeholders what, if anything, Ofgem should do to promote liquidity and new entry. It is open to us to advise OFT to make a merger reference to the Competition Commission if a merger would, in our view, lead to a substantial lessening of competition. It is also open to Ofgem to make a market investigation reference to the Competition Commission under the Enterprise Act if Ofgem has reasonable grounds for suspecting that any feature, or combination of features, of the market prevents, restricts or distorts competition.**

6. Respondents generally supported Ofgem's investigation of wholesale gas prices. However, one respondent was concerned at the duration of the investigation and asked why Ofgem had had to request information as part of the probe, noting that more data is available in electricity. Respondents generally welcomed our efforts to increase the amount of data available to gas wholesale market participants. One respondent said it was a matter of concern that the arrangements were merely voluntary. **Ofgem welcomes the efforts made by all parties to increase the amount of information available to gas wholesale market participants, in particular, in relation to the development of the voluntary arrangements that have been put in place under the DTI's scheme on offshore information. Ofgem has recently consulted on the onshore regulatory framework for information release in gas and will shortly issue its conclusions. Ofgem will also be publishing an impact assessment on energywatch's proposal to release more information to the gas market and will be deciding later this year whether to implement the proposal.**

7. Concern was raised that all customers needed basic non-price information to help switch supplier. One respondent believed that Ofgem and energywatch should do joint work to identify information that should be provided to customers. **Ofgem has no wish to crowd out private sector data providers, and would be surprised if larger customers felt they needed help from Ofgem to gather information. However, we accept that smaller businesses, and domestic customers, might not have the resources to do so. We will therefore consider what information is currently made available and whether more information should be provided and, if so, who should provide it - as this might be a matter for energywatch.**
8. It was suggested that Ofgem should examine whether non-switchers were benefiting from competition given companies' two-tier pricing practices and recent price increases. **There are still substantial savings to be made from switching supplier and Ofgem will continue to encourage customers to shop around for the best deal so that they can enjoy the benefits of competition. A number of companies are now offering new, more innovative tariffs such as capped rates that give customers even greater choice against a background of rising energy prices.**
9. It was also suggested that 'switch and save' was Ofgem's sole response to price rises. **Ofgem does not believe that that is the case. Ofgem's 'Energy Smart' campaign with energywatch also emphasises the savings to be gained from energy efficiency and using alternative payment types. Given that nearly half of all customers have not switched, and given the savings currently available to those who do switch, Ofgem is clear that it should continue to promote the benefits of switching supplier. We also continue to monitor wholesale and retail markets and will not hesitate to use our powers if we conclude that companies are acting anti-competitively.**
10. Noting our statement in the Proposed Strategy that we would move to lighter-touch regulation where appropriate, some respondents stated that Ofgem should reduce its role in the code modifications process. Others thought Ofgem should retain its current role. **Ofgem considers that it should have a continuing role in**

relation to the majority of modifications, recognising the changes that are taking place to the governance process with Impact Assessments and, soon, appeals. It is for industry to raise appropriate modifications to bring about changes they believe would benefit the arrangements and relevant objectives.

11. One respondent asked Ofgem to review the efficiency of arrangements whereby single issues such as electricity cash-out prices are subject to multi-code governance. **Ofgem is willing to consider any practical proposals to improve this aspect of the efficiency of governance arrangements.**

12. Respondents welcomed Ofgem's forthcoming metering competition review, but held mixed views about whether competition was the best method of protecting customers' interests. One respondent stated that Ofgem should encourage smart metering and data systems, while another was concerned about metering services agent competition, especially for quarterly customers. **Ofgem believes that metering competition will deliver benefits to consumers but will take account of these comments in its forthcoming review. Metering services agent competition is being taken forward separately.**

13. In relation to connections, one respondent thought that Ofgem should reconsider whether domestic customers' interests were protected best by competition or regulation, and that Ofgem should improve customer protection by developing new standards of service. **Competition in gas connections is well established in the new housing sector and is emerging in the market for larger industrial and commercial connections. However, competition has not developed in one-off domestic connections. Therefore, we consider that National Grid Transco's proposal to transfer domestic connections work back into the regulated distribution business will better protect customers' interests. We have also introduced, from 1 May 2005, a new Guaranteed Standards regime for domestic and smaller industrial and commercial connections to gas transporters' networks. In electricity connections we will continue to promote the development of a competitive market and will monitor the industry's response to our recent initiatives.**

14. One respondent stated that Ofgem should review credit arrangements with a view to making them less burdensome. **Ofgem recently published a document setting out best practice guidelines for credit cover in respect of gas and electricity network operators. Ofgem considers that the best practice guidelines strike an appropriate balance between protecting against the effects of company failures and minimising the costs of that protection.**¹
15. One respondent said that there should be a code of practice on billing to encourage improvements. **Ofgem notes that the Energy Retail Association recently announced its intention to carry out a review in this area. Ofgem is currently considering a supercomplaint on billing submitted by energywatch.**

Regulating monopolies effectively

16. Respondents agreed that the main challenge was to incentivise timely investment in networks. One respondent noted the need for further shifts toward arrangements that reward delivery of outputs required by customers. Some other respondents welcomed the increased transparency on outputs.
17. Some respondents said that, as the electricity distribution price control review ('DPCR4') had just been agreed, Ofgem's ability to alter the regulatory framework was largely constrained for the next five years. Others stated that Ofgem should start thinking now about the objectives and principles of DPCR5, so as to promote regulatory predictability, and welcomed our commitment to carry out a 'lessons learned' review. Some noted the need for work on cost reporting and cost-drivers for both underground and overhead networks, and on how to encourage additional equity and develop robust resilience output measures. **Ofgem has begun the review of DPCR4 and is developing the cost reporting rules. Ofgem will be working with Ofwat and other economic regulators to consider financial issues across price reviews. Ofgem has started work on the review of electricity and gas transmission price controls and will soon commence work on the first review of gas distribution charges. Lessons**

¹ The document can be viewed by clicking on this link
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/10370_5805.pdf.

learned in the course of DPCR4 will be taken into account in these reviews and experience of these reviews will help to shape our approach to DPCR5.

18. Respondents generally supported the principle of cost-reflective network charges to ensure that one technology was not unduly favoured over another, and to ensure efficient investment. Some respondents were concerned that Ofgem should seek to create a stable regulatory environment; they felt that the continuing process of reviewing transmission charges damaged market confidence. Respondents suggested that there should be a limit on the number of times that transmission charges could be changed in any one year, and that such changes should be capped. **Ofgem regards cost-reflective, non-discriminatory charges for transmission network users as key to promoting competition and efficiency. Ofgem recognises the importance of stability and considers that the consistent application of cost-reflective principles is important in providing a stable regulatory regime. The objective of applying consistent charging principles has been promoted significantly by the adoption in April 2005 of a single British electricity transmission charging methodology. In Ofgem's view it is appropriate for the arrangements to be kept under review, and where appropriate refined. It is also appropriate for the industry to play a key role in identifying and commenting on potential changes. The Authority's approval of National Grid Company's (NGC) charging methodology in March 2005 attached a number of conditions highlighting particular areas where potential improvements might be considered. This provides a useful structure and focus to the issue of developing charging methodologies consistent with the principles of cost-reflectivity and non-discrimination. In the case of gas, Ofgem has introduced a new obligation on Transco and the distribution businesses to restrict the number of changes in charges in a year.**
19. One respondent stated that a greater proportion of transmission charges should be borne by generators so as to encourage efficient location decisions. **Ofgem notes that this is potentially an aspect of NGC's methodology which is within the scope of NGC's review of its methodology in the light of the conditions attached to the Authority approval in March 2005.**

20. Some respondents criticised our intention to develop market-based arrangements for access to the electricity transmission network, and that we should subject our proposals to full cost/benefit analysis. There was concern that the complexity of the auctions acted as a barrier to entry, and a desire for Ofgem to adopt simpler policies. Two parties stated that gas entry auctions had prompted a shift away from cost-reflective price signals; one called for a reversion to planning. One respondent did not believe that there had been inefficient investment in the past and felt that the gas entry capacity scheme was over-complex and unpredictable.

Ofgem has not committed itself to introduce auctions in electricity transmission. However, we have agreed with NGC that it will assess and, where necessary, review the current level of rights and charges for using the transmission system. These issues will also be considered in the context of the forthcoming electricity and gas transmission reviews.

21. Respondents agreed that Ofgem should review the impact of the sales of gas distribution networks (DNs) to ensure that the new arrangements were safe and that the benefits were passed on to customers at future price controls. Some respondents criticised our decision to link exit reform to the DN sales. They argued that this work should be delayed given stakeholders' relative indifference. One respondent asked Ofgem to ensure that exit reform avoided over-complexity and undue discrimination. **Ofgem notes that the sale of the DN businesses is conditional on HSE approval and that the HSE has approved Transco's revised Safety Case. Ofgem continues to liaise with the HSE concerning the buyers' safety cases and would not expect the transactions to complete in the absence of HSE approval. So far as the future economic benefits are concerned, separate ownership and management of DN businesses will enable Ofgem to compare and contrast DN performance through future price control reviews. There is significant evidence from the electricity and water industries that comparative network regulation benefits customers. Respondents' views on exit reform will be taken into account in the Authority's consideration of the enduring exit arrangements. However, the Authority considers it important that there are non-discriminatory and price-based arrangements for access to transmission capacity.**

22. One respondent stated that Ofgem and network operators should take account of the different requirements of microgenerators compared to other network users. The respondent welcomed Ofgem's commitment, via the Innovation Funding Incentive (IFI) and Registered Power Zones, to ensure that network operators connect distributed generation in a timely and efficient way. **Ofgem has recently published a consultation document on the regulatory aspects of microgeneration².**
23. Two respondents sought more information about when details of the regulatory regime for offshore wind would be published. **While recognising that timing is also a matter for DTI, we have included a deliverable on offshore electricity transmission in the Corporate Plan.**
24. One respondent called on Ofgem to ensure that relative pricing for independent gas transporters (IGTs) is implemented as soon as possible. **Relative price controls (RPCs) have been implemented for all new properties connected to IGTs on or after 1 January 2004. However, a number of legacy sites will migrate to RPC arrangements on a revenue neutral basis over time. The relevant dates were published on Ofgem's website in December 2004³.**

Helping protect the security of Britain's energy supplies

25. Respondents agreed that the best way to achieve security of supply was through promoting competition and facilitating adequate network investment. One respondent said that in a market the Government should allow prices to be set by supply and demand, even if that meant high prices at times, as those prices sent important investment signals. Respondents noted that monitoring and publication of data had a vital role in informing the market, and one respondent welcomed Ofgem's recognition of the importance of demand side management.
26. Two respondents believed that a capacity support mechanism might be needed to ensure sufficient generation availability. One of those respondents suggested

² The document can be viewed by clicking this link http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11267_12305.pdf.

³ The document can be viewed by clicking this link www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/9568_igtmigrationletter.pdf.

that Ofgem and the industry conduct joint research on the matter. **Ofgem is not aware of any new evidence or arguments to suggest that capacity payments to power firms are needed to encourage them, in a cost-effective way, to maintain spare capacity as a way of safeguarding electricity supply. Consequently, Ofgem does not intend to take forward research in this area. We are however committed to monitoring the wholesale market and analysing the long- and short-term outlook for security of supply.**

27. Concern was expressed about the long term impact on security of supply of EU-ETS, the Large Combustion Plants Directive and the Environment Agency's approach to Integrated Pollution Control in relation to coal-fired plant. One stated that it might be necessary to extend the renewables support mechanism for security of supply reasons, especially if the fuel mix became unbalanced. **This is a matter for the Government. However, Ofgem notes that long-term security of supply is not a concern so long as the rules are clearly set out in advance so as to allow time for investment in flue gas desulphurisation units or cleaner generation sources.**

28. Some respondents stated that Ofgem should continue to work with other Government bodies on gas quality. One of these respondents noted that if lower specification North Sea gas could be delivered onshore it would delay or reduce gas import dependency. Another respondent noted that a widening of the UK gas quality specifications would have significant cost and safety implications, which would have to be fully taken into account. **DTI, Ofgem, HSE and Defra are carrying out a three-phase joint study on gas quality issues. Ofgem must be satisfied that gas quality arrangements are consistent with the regulatory framework and the duties and obligations placed on Transco and other licensed companies (for example, the requirement for gas transportation charges that are cost-reflective and do not give rise to undue discrimination).**

A leading voice in Europe

29. Respondents welcomed Ofgem's increased role in the European debate and its commitment to advance the liberalisation agenda. They strongly supported the

objective of liberalised energy markets and non-discriminatory access to transmission networks.

30. One respondent stated that our commitment to electricity liberalisation seemed less than that for gas, given the drafting of the Proposed Strategy. **Ofgem is fully committed to electricity liberalisation. However, its focus is slightly greater on gas because of the potential benefits to British customers in obtaining secure supplies of gas at competitive prices from a liberalised European gas market. This is particularly important, in Ofgem's view, as Britain becomes a net importer of gas.**
31. Some respondents said our policies should be consistent with those of the European Commission, for instance on transmission charging and third party access. One respondent supported work on removing barriers to regional markets as the first step leading to a single European energy market.
32. One respondent stated that Ofgem should promote energy efficiency at the European level, ensure that European legislation does not prevent strengthening of the Energy Efficiency Commitment, and support, via the Energy Services Directive, stricter appliance and product standards that would reduce consumption. **Ofgem is fully engaged with other Government Departments in the legislative process of the Energy Services Directive. In addition, Ofgem regularly attends pan-EU workshops to share best practice gained through administering the Energy Efficiency Commitment.**
33. Some respondents welcomed Ofgem's commitment to promoting better regulation principles at the European level and stated that we should encourage the Commission to adopt good practice, such as impact assessments, in all policy areas. One respondent called for Ofgem to lead in producing detailed impact assessments of proposed European legislation. Another stated that it would be helpful to be kept informed about Ofgem's European agenda. **In the light of these comments we have decided to publish regular updates so as to facilitate an informed debate about European policy developments.**

34. One respondent queried whether Ofgem should devote so many resources to European matters, since others might be better placed to influence European policies, and suggested that the European competition authorities might be more influential than the Council of European Energy Regulators and the European Regulators Group for Gas and Electricity. **Ofgem is already working closely with the other National Competition Authorities and the Corporate Strategy now reflects this. Overall, Ofgem is pleased that there is a high level of support for its focus on Europe.**

Helping protect the environment

35. Respondents agreed that Ofgem should assist the industry in achieving environmental improvement as efficiently as possible, and looked forward to Ofgem contributing to the debate publicly. One respondent said that Ofgem could best achieve this by promoting practical market-based policies to reduce greenhouse gases.

36. One respondent said that Ofgem would need to interact more effectively with the Environment Agency. **Ofgem and the Environment Agency meet at least on a monthly basis to discuss issues of joint interest, and carry out joint work where appropriate. We will continue to review the effectiveness of our working arrangements, including the Memorandum of Understanding agreed in 2001.**

37. One respondent stated that environmental concerns needed to be mainstreamed into Ofgem's activities and that Ofgem should formally support Government carbon reduction targets and design policies to help meet those targets. **Ofgem takes account of environmental considerations in everything that it does. Environmental factors are, for instance, a feature of the Impact Assessments that we carry out for all major new policies. To help inform its environment assessments, the Authority has agreed that the starting point should be that the economic value of various environmental benefits, including reducing carbon emissions, should be embodied in the use of a cost of carbon.**

38. Some respondents stated that the Energy Efficiency Commitment should be better integrated with fuel poverty programmes such as Warm Front. **Ofgem agrees but notes that integrating these schemes is a matter for Defra.**
39. A number of respondents made comments about the design and likely effectiveness of the emissions trading scheme. Some respondents asked Ofgem to look carefully at the extent of generators' windfall profits as a result of emissions trading. **Ofgem has made representations to Defra about the design of the emissions trading scheme throughout the development and implementation of the scheme.**
40. One respondent noted that a more distributed model of generation would reduce costs and overheads were it not for the licence regime acting as a regulatory barrier to this. **The conditions contained in the distribution licence are intended to protect the consumer; it is not clear to Ofgem that granting large-scale exemptions would be in the consumers' interests. Having said that, Ofgem would of course give proper consideration to any proposals to simplify distribution licences. Ofgem has also reformed the structure of connection charges to provide a more level playing field for distributed generation.**
41. One respondent raised a concern about a skills gap in relation to, for instance, the installation of condensing boilers or microgeneration units, and conducting domestic energy efficiency surveys. **Ofgem notes that the Skills Sector Council is addressing these concerns. While this is primarily a matter for Government, Ofgem is working with suppliers to improve their delivery under the Energy Efficiency Commitment (EEC), and the microgeneration consultation identifies the skills issue.**
42. One respondent said that the Plan should reflect Ofgem's need for more resources if it wishes to review the EU-ETS and influence both the Energy Services Directive and the UK's Climate Change review. **The new environment policy team and environmental programmes team, drawing on further expertise provided by the panel of environmental economists, will provide the right level of resources to enable us to meet the increased focus on environmental issues.**

43. One respondent had expected a deliverable on the derivation of line loss factors in the Plan, and stated that Ofgem should indicate when a review would begin. **Ofgem has recently written to the DNOs requesting explanations of their approaches and intends to improve transparency in this area.**
44. One respondent supported arrangements to reduce methane and sulphur hexafluoride emissions, given that the EU-ETS applied only to carbon dioxide emissions. **Ofgem notes that in Phase 2 there will be the option to include other greenhouse gases within the scope of the EU-ETS. Ofgem, through its panel of environmental economists, has carried out analysis to identify the social cost of methane and sulphur hexafluoride.**
45. Some respondents believed that Ofgem should give further consideration to, and publish a cost/benefit analysis of, outsourcing the administration of Government environmental programmes. **Ofgem is required by primary legislation to administer the RO, the EEC, the CCL exemptions for CHP and renewables, the Fossil Fuel Levy, and the Renewable Electricity Guarantees of Origin. Ofgem has in the past sub-contracted elements of these administrative duties, but it has become clear that carrying out the work in-house is cheaper and allows for better management of risk and accountability. Ofgem is currently completing a project to bring the management of the Fossil Fuel Levy in-house for these reasons. Ofgem publishes the costs of administering these programmes annually, and is refunded for a substantial part of this by HM Treasury.**

Helping tackle fuel poverty

46. Respondents supported Ofgem's efforts to stimulate action to alleviate fuel poverty, but noted that the Government had a major role to play. They stated that Ofgem should rigorously advise the Government of the impact of its policies on fuel poverty, and encourage other Government agencies to target schemes more effectively. These respondents said that a campaign to identify vulnerable at-risk customers was possible and desirable, and looked forward to working with Ofgem on this.

47. One respondent stated that Ofgem should create a climate in which suppliers may be confident that they will not be penalised for introducing innovative products. One respondent supported research on energy efficiency and fuel poverty issues conducted in full consultation with industry. One respondent welcomed our consultation on extending the range of payments collected via a prepayment meter, on the basis that recovering energy efficiency charges will allow suppliers to target improvements more easily at the fuel poor. **Overall, Ofgem is pleased with the support shown for its work on helping tackle fuel poverty. The comments are in line with the approach being adopted by Ofgem in this area, including engaging actively with Government.**

Improving Ofgem's efficiency and effectiveness

48. Respondents welcomed Ofgem's commitment to a RPI-X discipline, which should enable us to reduce running costs without compromising key regulatory projects. Some noted that Ofgem remained expensive when compared to other European regulators, that some major projects were coming to a close, and concluded that there remained scope for significant savings, for instance by delaying or dropping some planned activities (such as reform of gas exit arrangements). **Ofgem is mindful of the need to place downward pressure on its costs and has taken steps to do so. Introducing a RPI-X regime imposes an effective cost control discipline on Ofgem. Indeed, the RPI-3 per cent regime for the next five years, taken with the 6 per cent cut in our costs in 2004/5, represents a projected 20 per cent cut in Ofgem's costs. Ofgem considers that as an organisation it compares very favourably with its European counterparts, for example in terms of the quality of regulation, the strength of competition in the markets within our remit, and the transparency with which we develop regulatory policy.**

49. A number of respondents were concerned about the increase in spending, especially on creating and sustaining competition, Europe and the environment. Some believed that Ofgem should spend significantly less on creating and sustaining competition given that the market was competitive. **During 2004 the Authority's Audit Committee conducted a thorough review of Ofgem's costs, which formed the basis of the RPI-3 per cent and budget proposals. The**

budget over subsequent years is closely linked to the tasks that will need to be performed. We note that the 3 per cent proposal was higher than the recommendations put forward in the Gershon report.

50. A number of respondents called for greater transparency in the Authority's decision-making process by holding open meetings, and by publishing decision papers and minutes promptly after a meeting. Some respondents noted not only that this would reduce regulatory uncertainty for industry participants but also that it would reduce the risk of an inappropriate appeal. **Recognising the importance of greater transparency, but at the same time maintaining necessary confidentiality, the Authority will shortly publish reports of its monthly meetings and, once a year, will hold an open session.**

51. Respondents welcomed Ofgem's intention to improve its consultation, information-gathering, reporting and reviewing processes. Some felt that Ofgem published so many consultation documents that it was doubtful whether industry could respond effectively to them. They stated that Ofgem should prioritise better between competing projects, avoid duplication and repetition, and ensure that the industry had enough time to respond properly. One respondent welcomed our intention to conduct six-week consultations and made a number of recommendations about improving our consultation process. **These recommendations are being considered as part of 'Project Paperless'.**

52. Respondents welcomed our commitment to Impact Assessments but believed we could do more to ensure that implementation costs were properly taken into account. Some respondents stated that they would welcome the publication of Professor Yarrow's review of Ofgem's Impact Assessments. Two respondents contributed differing views on whether Impact Assessments were necessary in relation to code modifications. **Ofgem has emphasised in its published Guidance that the industry has an important role to play in providing cost information to support Impact Assessments. Ofgem will publish shortly the final version of Professor Yarrow's report.**

53. Respondents welcomed Ofgem's commitment to make 70 per cent of code modification decisions within five weeks. One respondent believed that Ofgem

should indicate at an early stage whether it would need more than five weeks to make a decision, and that Ofgem should provide non-binding 'minded to' statements. **Ofgem will continue to approve or reject code modification proposals as quickly and efficiently as possible, taking account of overall organisational priorities, and will try to indicate those modifications that may need a longer consideration. In addition, we will continue to give 'minded to' views when requested.**

54. Some respondents supported the idea of post-implementation reviews of major projects. One respondent said that Ofgem should review BETTA after one year. **Ofgem is committed to reviewing the outcomes of major projects and has begun a 'lessons learned' exercise in respect of DPCR4. Ofgem also values the National Audit Office evaluations of our major projects.**

55. Two respondents welcomed our intention to introduce an electronic public register. One respondent stated that, while our website was generally helpful, there was no comprehensive archive of licences and determinations. **The electronic public register, which we have committed to deliver later this year, is intended to remedy these omissions.**

Corporate Plan - deliverables and budget

56. Respondents welcomed our detailing of deliverables and budgets for 2005/6 but some considered that Ofgem should include budgets and deliverables for all five years of the Strategy, since many projects lasted for more than one year and early indications would enable industry to plan its contributions better. **We have included a commentary in appendix 4 of the Plan which explains the reasons for the main changes from last year's budget and notes that from next year we will provide a more comprehensive cost breakdown for the whole Plan period.**