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Sent: 04 March 2005 16:59

To: Andrew MacFaul

Subject: Ofgem Proposed Corporate Strategy and Plan, 2005-2010

Dear Andrew

I attended an Ofgem session on the above subject at Ofgem with Alistair Buchanan and colleagues on Wednesday 2 March 2005 during which I was able to contribute my views which I hope was useful.

I feel therefore it appropriate to confirm some of the major points in writing which I show below;

- * Ofgem should focus on the large area effecting the of cost to customers for example the surveillance of wholesale gas and electricity markets.
- * Ofgem should be alert to concerns the increasing concentration of markets and the vertical integration of the big players and the effect this has on the liquidity of wholesale traded markets and the degree of competition.
- * Ofgem should try to keep things simple and be more prepared to take decisions rather than to leave this to pseudo markets, gas pipeline exit arrangements and arrangements relating to the effect of DN sales are examples.

With best wishes

Hugh