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Our Reference NG/LAD

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Dear Andrew,

Ofgem's Proposed Corporate Strategy and Plan 2008-2013

The plan contains a very useful summary of context, objectives and proposed actions. It is helpful to have these set out so clearly and we welcome the opportunity to contribute further in the plan development process.

On the high-level questions concerning the themes, we agree that they all remain relevant and the identified issues in the plan adequately cover the important topics. The identified need to review many fundamental processes and mechanisms (for example, transmission access arrangements, imbalance cashout, industry code governance) are due in part to the need for the industry to gear up for important future challenges. We therefore welcome the emphasis given in the plan to Ofgem's participation in work on the nature of the future challenges (especially those concerning climate change and European market developments) and thereby identifying better the implications of different approaches. (Recognising that there will be other fora and consultations to engage in the detail concerning the issues and approaches, we will refrain from providing views on specific issues in this response.)

Concerning the simplification plan, it is reassuring that simplification work concerning network licences is included as well as those applicable to participants in competitive markets. While many of the more complex network licence areas (for example, concerning incentives relating to access arrangements) are relatively new, or may be subject to change in the near future, and experience must be gained before harmonisation and simplification can take place, these issues would benefit from consideration as part of the wider reviews.

The publication of deliverables/milestones/performance levels in the plan is very helpful. The value of such information in terms of helping parallel planning by others would be further enhanced if outturn information could be provided (in a similar manner to the way that financial outturn data is provided).

Please call if any clarification is required.

Yours sincerely,

Lewis Dale

Cc: Paul Whittaker