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Mr Andy MacFaul
Head of Better Regulation
Ofgem
9 Millbank
London
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18th September 2009

Dear Andy,

Ofgem's Five Year Strategy, 2010-2015

Thank you for the opportunity to contribute to Ofgem's five year strategy.

We have one main matter for your consideration and it concerns the regulation of National Grid's activities. It seems to us that, at the moment, the only body which has the capability to model and understand the behaviour of the National Transmission System for gas under varying conditions of supply and demand is National Grid itself (the same may be true of the high voltage electricity grid).

We find it difficult to believe that this is fully satisfactory and believe that an independent body ought to be in a position to undertake similar modelling of the NTS, so that, at the least, Ofgem is well advised. Therefore, we propose that, in the absence of in-house capability, Ofgem should in future retain a firm of consultants to undertake this important function on its behalf to ensure that it is fully aware of the implications of any proposals relating to investment in or the operation of the NTS.

We trust that this will receive due consideration.

Yours sincerely,



Mike Tholen
Economic & Commercial Director
Oil & Gas UK