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Dear Andrew

Re: Ofgem's Five Year Strategy 2010-2015

Which? is grateful for the opportunity to contribute to the development of Ofgem's five year strategy for the period 2010 - 2015.

All consumers have a right to a stable and secure energy supply and it is important that Ofgem has input from consumer organisations. For many consumers energy is intangible product which they require in order to participate in society and undertake everyday tasks. It is important that consumers are supported in engaging with and understanding how they use energy.

As requested, attached is a table of areas that we believe should be a priority for Ofgem. We have not prioritised the issues as they are of equal importance. We look forward to Ofgem progressing these issues to ensure that the market will function to the benefit of today's and tomorrow's consumers.

Yours sincerely

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Which response to 2010 2015 Open Letter

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Which? Proposals for Ofgem's 5 Year Strategy 2010-2015

Energy Supply Probe	
Monitor the implementation of the remedies against set milestones.	<ul style="list-style-type: none"> > Set out a time frame for monitoring the remedies > Set out clearly the desired outcomes for set milestones. This should include when and how reductions in tariff confusion will be assessed. > Set out what actions will be taken if milestones are not likely to be achieved or have not been achieved.
Consumer experience and engagement	
Improving the quality of billing	<p>Amending the gas and electricity standard supply license conditions to:</p> <ul style="list-style-type: none"> > Require the inclusion of summary boxes containing key information on all bills and statements > Require bills to be in accordance with the customers' meter data > Require customers bills to clearly illustrate how the total bill is compiled
Address tariffs confusion	<p>Amending the gas and electricity standard supply license conditions to:</p> <ul style="list-style-type: none"> > Require minimum standards for tariffs: <ul style="list-style-type: none"> · Standards - have emailed revised wording > Prevent the development of tariffs which consumers are not able to make an informed decision on value for money and require the immediate removal from the market. This would include tracker tariffs. > Require customers bills to clearly illustrate how the total bill is compiled
Increasing the number of consumers who switch and achieve a positive outcome.	<p>Research by UEA¹ has shown that the primary reason consumers inadvertently switch to a tariff that does not achieve their primary objective for switching, saving money, is due to poor decision making. In order to address this Ofgem need to ensure that the market condition are such that the possibility that a consumer can make a mistake is limited, this can in part be achieved through better quality billing and truly addressing tariff confusion.</p>
Addressing the unfair balance brought about through the 65 working day notification license condition	<p>Amending the gas and electricity standard supply license conditions to require energy suppliers to notify consumers in advance of adverse price notifications</p>
Security of Supply	

¹ Memorandum submitted by the University of East Anglia, *Energy prices, fuel poverty and Ofgem*, Eleventh Report of Session 2007-08, House of Commons Business and Enterprise Committee, Ev 510-514, Volume II, HC 293-II, July 2008

Which? Proposals for Ofgem's 5 Year Strategy 2010-2015

Providing fit for purpose networks.	Requiring network companies to set out a clear framework for investment at their own cost, with penalties for not achieving milestones.
Supporting the diversification of the UK energy supply.	<ul style="list-style-type: none"> > Working with the National Grid to ensure that small low carbon and renewable generators are given prompt access to the grid. > Require full disaggregation of accounts for all vertically integrated energy companies, to enable prospective entrants to evaluate the worth of entering the generation, trading or supply energy markets.
Facilitate the development of new generating capacity	Amending the Electricity Generation License: standard conditions to require all generators to invest a proportion of profits, turnover or equivalent of current generation output into new generating capacity.
Facilitate the development of additional gas storage capacity.	Amending the Electricity Generation License: standard conditions to require the gas based electricity generators to build gas storage capacity to secure their own supply for two weeks.
Ofgem Governance	
Improve consumer representation	Appoint a lay chair for the GEMA Board and ensure at least 50% of the Board is comprised of lay members
Improve transparency	<ul style="list-style-type: none"> > Allow public attendance at GEMA Board meetings > Publish minutes of all GEMA Board meetings
Provide equality in amendments to license conditions	Remove the ability of energy suppliers to veto proposed amendments to license conditions
Agency for Cooperation of Energy Regulators (ACER)	
Consumer representation	<ul style="list-style-type: none"> > Ensure there is consumer representation on the ACER board > Put forward recommendations for 50% lay membership