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Dear Philip,

Forward Work Programme FY2013-14

National Grid appreciates the transparency brought by the publication of Ofgem's Forward Work Plan for FY2013-14 and welcomes the opportunity to comment on it. Using the headings requested:

1) The substance of Ofgem's policy, the proposed budget and programme of deliverables

We understand that it is not possible to be specific about the impacts of EMR until government has finalised its proposals but we very much welcome the priority identified for engagement with government and the European market development agenda. We suggest it is important that a coherent vision is articulated by Ofgem to identify how the interrelationships will be addressed between the identified activities on energy balancing signals, locational signals, development of demand side participation and the coordination of network investments.

In terms of the proposed budgets, we note there is expected to be decline in costs in the markets and network regulation areas after 2013-14. We would welcome reassurance that the significant tasks that have been identified in the work plan will be adequately resourced given that it is unlikely that they will be finalised in the following year.

2) The proposed KPIs

Given the potential for targets to focus on areas that can be measured, we welcome the inclusion in some KPIs of a qualitative description of the desired outcomes. It would be helpful if such descriptions were provided for each of the KPIs.

3) The process of consultation

We have no comments other than those given above on the process of consultation.

Yours sincerely

[By e-mail]

Lewis Dale
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c.c. Paul Whittaker, Director UK Regulation