

Detailed deliverables and indicative costs for 2002-2003

Making markets work more effectively

Activity	Action	Delivery period	Completed
1. Wholesale market			
Electricity trading	Publish a review of the New Electricity Trading Arrangements following the first 12 months of operation	Q2	Achieved
	Contribute to development of the Department of Trade and Industry drafting instructions to Parliamentary Counsel for British Electricity Trading and Transmission Arrangements (BETTA) legislation	Q2	Achieved Q1
	Produce detailed descriptions of System Operator and Transmission Access Operator arrangement under BETTA	Q2	Achieved Q3
	Produce draft BETTA documentation	Q4	-
Gas trading arrangements	Continue to participate in the development of the gas balancing regime	ongoing	-
Market governance	Take part in the process for modifications to the Balancing and Settlement Code, Connection and Use of System Code and Network Code, and take decisions on code modifications	ongoing	-
Market surveillance	Monitor wholesale energy markets and take appropriate enforcement action when there is evidence of licence or competition law infringements	ongoing	-
Security of supply	Participate in DTI/Ofgem's Joint Energy Security of Supply Working Group	ongoing	-
Liaise with other European regulators	Support the development of competitive energy markets and promote Ofgem policies across Europe in relation to liberalisation	ongoing	-
	Monitor proposed interconnector projects	ongoing	-
	Provide advice to the DTI on proposals with a negative impact on the UK	ongoing	-
Offshore	Continue work with the DTI and other agencies to promote offshore arrangements that encourage a competitive wholesale market in Britain	ongoing	-

2. Retail markets

Activity	Action	Delivery period	Completed
Monitoring domestic retail	Report on competition in domestic retail supply markets (prepayment meters and where switching activity is low)	Q2 & Q4	Achieved
	Report on implications for supply competition of entry of new electricity distribution businesses	Q4	-
	Implement improvements to the markets for customer transfer process	Q4	-
	Implement customer contact plan	ongoing	-
	Publish review of Erroneous Customer Transfer (ECT) Charter	Q3	Achieved 02
	Publish consultation on marketing licence condition	Q3	Expected Q1 2003/4
	Final proposals for focus of regulation of supply markets	Q4	-
Monitoring industrial and commercial retail	Report on competition in industrial and commercial retail supply markets	Q3	Expected Q4
Supplier failure	Carry out test of Ofgem's and the industry's arrangements to manage supplier failure	Q2	Achieved

3. Industrial structures

Metering	Update papers on progress under the Metering Strategy	Q2 & Q4	Achieved
	Support for industry reforms to gas metering arrangements	Q4	-
Connections	Undertake dispute resolutions and determinations	ongoing	-
Corporate transactions	Publish consultation documents on proposed mergers and acquisitions and submit reports to the Office of Fair Trading (OFT) as required	ongoing	-
	Implement the decisions of the Secretary of State in relation to mergers and acquisitions	ongoing	-

4. Regulating monopoly networks intelligently

Activity	Action	Delivery period	Completed
Development of price regulation generally	Consult on general price control issues to assist in the development of the price control framework and the distribution price control	Q1	Achieved
Transmission, Electricity	Implement the NGC System Operator incentives scheme, subject to NGC consent	Q1	New NGC SO incentives introduced 1/4/02
	Continue to participate in the development of new transmission access and losses arrangements for implementation in 2003-2004	ongoing	-
Transmission, Gas	Implement the Transco Price Control and accompanying System Operator (SO) incentives scheme, subject to Transco consent	Q2	Achieved
Distribution, Electricity	Develop objectives and structure for next price control	Q3	Expected Q4
	Report on quality of supply output measures and medium term performance information	Q2	Expected Q4
	Publish final proposals on structure of electricity distribution charges	Q4	-
	Consult on distribution losses	Q2 & Q4	Expected Q4
	Consultation on the regulation of Independent Electricity Distributors	Q2	Achieved
Distribution, Gas	Further consultation on the separation of Local Distribution Zones (LDZ) price controls	Q3	Replaced by initial proposal
	Consult on development of the quality of supply incentive scheme for LDZs	Q4	-
	Decision document on IGT charging	Q3	Expected Q4
Asset risk management	Conduct surveys and publish results	Q3	Expected Q4
Price control compliance, all industries	Ensure compliance with price controls through monitoring of performance and deal with disputes and determinations	ongoing	-

5. Social action

Activity	Action	Delivery period	Completed
Social action	Publish debt management and prevention guidance	Q2	Achieved
	Publish proposals on reducing debt blocking depending on the outcome of the current industry trial	Q2	Achieved Q3
Energy efficiency	Publish guidelines on energy efficiency advice for the fuel poor	Q2	Achieved Q3
Reporting progress	Publish annual report on progress and priorities under the Social Action Plan	Q4	-

6. Environmental action

Activity	Action	Delivery period	Completed
Generation	Continue to support the Environment Agency in work to develop emissions trading	ongoing	-
Distributed generation	Review options for domestic and micro-Combined Heat and Power	Q4	-
	Implement interim changes to connection charging regime	Q1	Achieved
Supply	Produce guidance on green supply	Q1	Achieved
Renewables	Issue first Renewables Obligations Certificates	Q2	Achieved
	Implement Renewables Obligations Certificates transfer registry	Q2	Achieved
Energy efficiency	Issue procedures manual on administering Energy Efficiency Commitment	Q1	Achieved
	Prepare model code of practice on energy efficiency advice on industrial and commercial customers	Q1	Achieved
Reporting progress	Publish report on evaluation of Energy Efficiency Standards of Performance (EESoP) 3 Programme	Q4	-
	Issue guidance to electricity companies on protection of amenities statements	Q1	Expected Q4
	Publish annual report on progress and priorities under the Environmental Action Plan	Q4	-

7. Developing Ofgem's efficiency and effectiveness

Activity	Action	Delivery period	Completed
Attract and retain high calibre staff	Implement Ofgem recruitment and retention strategies	ongoing	-
	Implement learning and development strategy to secure Investors in People accreditation	ongoing	-
Ofgem's proposals	Implement revised Ofgem consultation best practice guidance, including improved rationale	Q1	Target met Implementation September 2002
Strategy	Contribute to the follow-up to the Performance and Innovation Unit report/Government White Paper	ongoing	-