From Tim Yeo MP, Chairman

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Ofgem’s Main Estimate 2014-15

The Committee has asked me to write to you regarding the Ofgem’s Main Estimate 2014-15. With the assistance of the Scrutiny Unit, we have identified a number of questions as set out below:

1. What are Ofgem’s key expected deliverables during 2014-15?

2. What is driving the increase in gross spending on Gas and Electricity Markets Authority administration of 6.7%?

3. Can Ofgem explain why for the second year in succession it is seeking a cash requirement which includes £5 million for an increase in debtors and £5 million for a decrease in creditors, and is hence significantly higher (£10.7 million) than its resource and capital requirements (£0.7 million and £1.5 million respectively)?

4. What are Ofgem’s efficiency targets for 2014-15 and does it plan to maintain, increase or reduce its workforce size in 2014-15?

We would be grateful if you would respond formally to us in writing by Thursday 12 June. We may wish to publish this letter and your response to it.