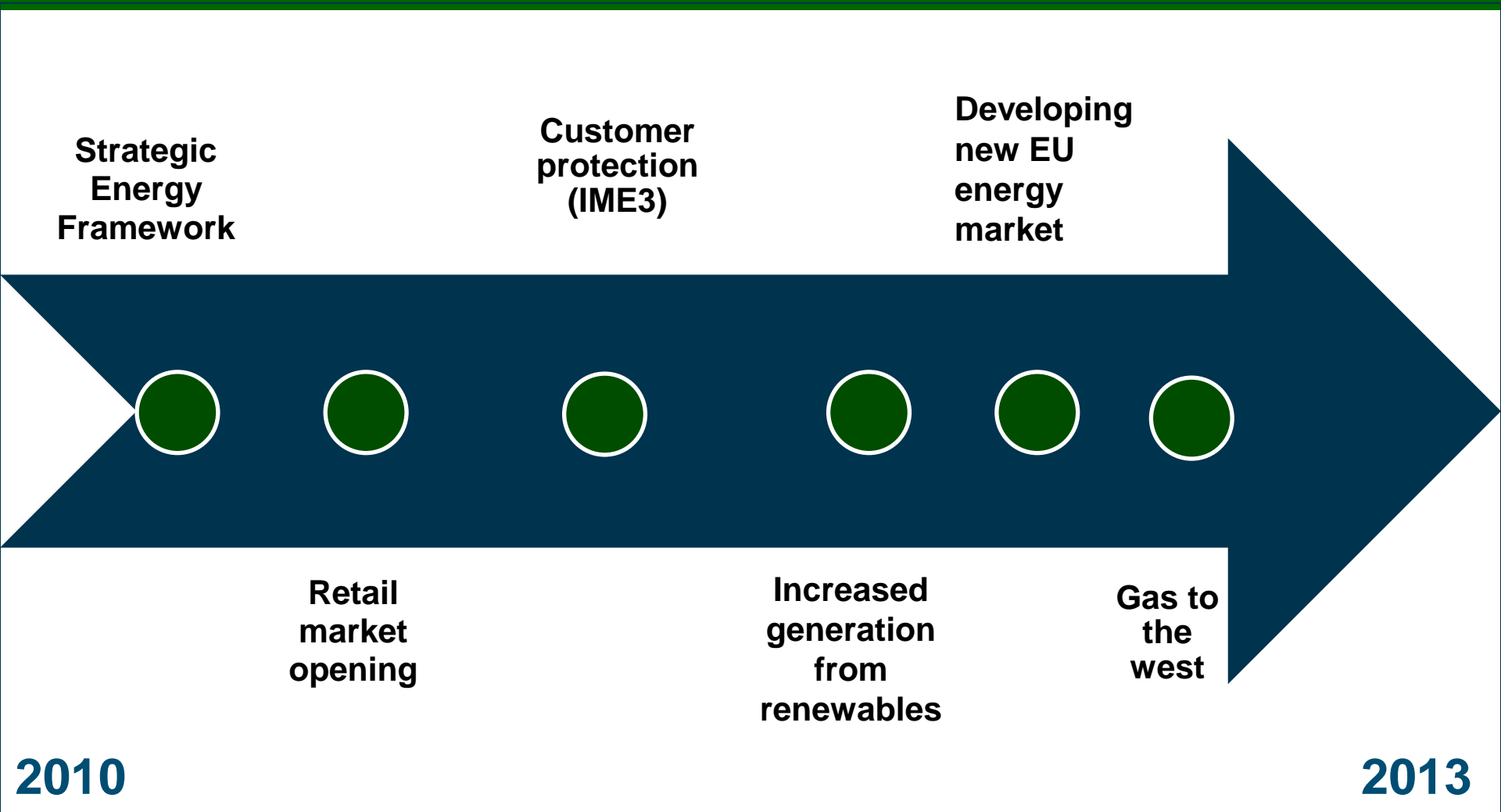


Future challenges for regulation

Jenny Pyper
31 October 2013



Key developments in energy - 2010 to now



The Regulator's agenda

- New developments at the Utility Regulator
 - New board members
 - Moving on from Competition Commission inquiries
 - Addressing big challenges:
 - Energy prices and costs
 - Security of supply
 - Energy wholesale and retail market development
- These challenges are a focus for the new corporate strategy

The new corporate strategy

- Developing new corporate strategy 2014-19
 - Draft strategy to be published for consultation
 - New strategy in place during Q2 2014
 - Early positive engagement with stakeholders

The new corporate strategy

engagement
explain **prices**
cross-utility work-together
long-term competition

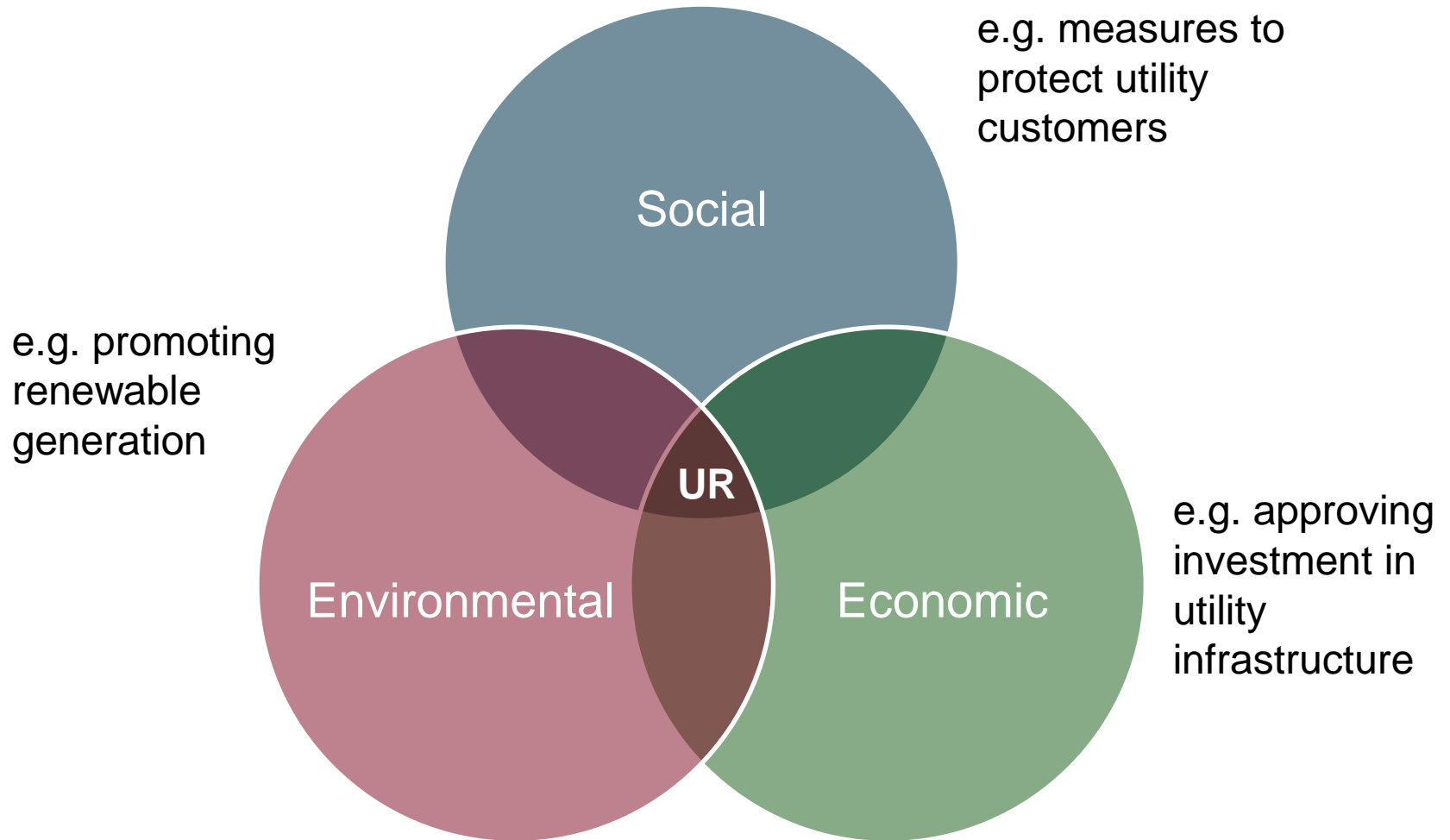
security-of-supply
collaboration listen consistency
coordination compliance
principles
benchmarking statutory-duties
policy infrastructure-investment
relationships

protecting sustainable
processes regulation-principles

restructuring
innovation

transparency

Positioning the Regulator



The Regulator's biggest challenge



Long-term issues – e.g.
promoting investment/
incentivising utility
companies to innovate for
the future

Achieving the right balance

Short-term issues -
protecting consumers from
high prices/ scrutinising
utility company costs

