

From: susan hopkinson [hopkinson.rhue@virgin.net]
Sent: 03 July 2007 11:07
To: Roger Crofts
Cc: David Hunt; 'John Mayhew'; 'Davie Black'; 'David Jarman'; 'Chris Townsend'; 'Birnam Bill'; 'Bill Wright'; 'Derek Birkett'; 'Stuart Young Consulting'; andrewbain@winnocks.fsnet.co.uk; 'Donald Miller'; 'Walter Semple'; 'Helen McDade'
Subject: Re: Beaulieu Denny Transmission Line: OFGEM consultation

Many thanks for this.

Right at the beginning of the inquiry the Reporters ruled that SSE/SHETL was not acting in response to its contractual obligations under the Electricity Act, but putting in the proposal as a private company. This ruling meant that they did not have a requirement to conduct a full strategic environmental assessment.

Any investment by the company in pursuing its application must surely therefore be seen as venture capital. Since the huge increase in the company's regulated asset base that would result from a successful application would also come from the electricity customers' purse (UK wide as I understand it) this is a very cynical move by the company.

Yours

Sue

On 3 Jul 2007, at 09:28, Roger Crofts wrote:

Dear Mr Hunt

Thank you for the consultation. I have the following points on your two questions.

1 I do not agree that SHETL should be able to include its Inquiry expenses in the costs of line. They have chosen to have a level of representation and consultants and that is their business and should be born entirely by them. Those engaging in the legitimate Inquiry process as objectors, in order to ensure the Government's decisions are taken on the best possible information, have to fund their own expenses; so should the proposers.

2 There is a great deal of other information now available to OFGEM and to the Inquiry that is material to the eventual decision, specifically that from Professor Andrew Bain and from Sir Donald Miller. This should be explicitly taken into account by OFGEM, but the applicants and by the Inquiry Reporters, otherwise the decision reached will have no validity. It is the obligation of OFGEM, as a statutory Regulator, to take into account this information and to publicly answer the points made by these experts. Failure to do so can only be construed as something to hide in the OFGEM decision.

Professor Roger Crofts, CBE, FRSE, FRGS, FRSGS, Hon DSc,

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