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Date

18 August 2003

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**Corporation of London Response to the Electricity Distribution Price Control Review  
Initial Consultation Document July 2003**

Following our meeting of 23<sup>rd</sup> July I wanted to recap some of the points we discussed with regard to the unique requirements of the City of London and its major businesses in terms of the electricity distribution network and to comment upon the July 2003 Initial Consultation document.

As you are aware the City of London contains a cluster of businesses whose contribution to the UK economy is significant and for whom a loss in power, however infrequent or short in duration, will have a detrimental affect on their balance sheet in terms of business lost. This loss in revenue has far reaching affects for the wider economy and although several of the largest City companies have their own back up generators on-site many do not. All however worry about potential loss or dips of power supply from the main network and seek re-assurance on the resilience issue (this may be particularly the case after the recent wide spread power cut in America which severely affected New York). The Corporation therefore feels that traditional methods of measuring the performance of electricity supply e.g. customer minutes lost, do not take into account the wider economic affect of power failures, for the City of London and indeed for central London as a whole.

We discussed the issue of customer willingness to pay e.g. for better reinforced and/or increased availability of supply in the City, and my team would be delighted to assist you and your colleague Chris Watts in both designing and distributing your forthcoming consumer survey in February 2004 and possibly between now and then in organising focus groups between ofgem and City businesses in order to explore possible options for delivering their needs via the distribution price control review.

We talked about making provisions for DNOs to undertake advance investment in the network and I welcome the reference to this in paragraph 5.35 of the Initial Consultation report. As I explained in our meeting, in the medium term, EDF Energy may wish to look into the possibility of undertaking advance investment to the north east of the City fringe area, particularly the Bishopsgate Goods Yard brown field site, as this will be redeveloped intensively for City type offices and other uses in 10-15 years' time.

I look forward to further discussing these matters with you in future and in assisting ofgem in the ways outlined above.

Yours sincerely

Peter Bennett

**Deputy City Surveyor and  
Head of the City Property Advisory Team**

cc Edward Blades, Head of Regulation Policy Development, DTI  
Neil Hirst, Head of Energy Markets Unit, DTI

