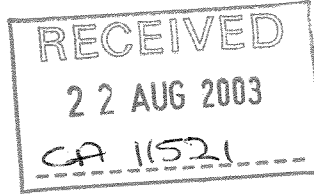


Campaign to Protect
Rural England



Cemil Altin
Head of Price Control Review
Ofgem
9 Millbank
London
SW1P 3GE

Our ref:
10JH03

Your ref:

21 August 2003

Dear Cemil Altin

Electricity Distribution Price Control Review - initial consultation

CPRE welcomes the opportunity to submit our views on Ofgem's Distribution Price Control Review (DPCR) during this initial consultation. CPRE exists to promote the beauty, tranquillity and diversity of rural England by encouraging the sustainable use of land and other natural resources in town and country. We promote positive solutions for the long-term future of the countryside and to ensure change values its natural and built environment.

CPRE believes that the threat of global climate change could have a profound effect on the planet. The English countryside is not immune to this. Its character and beauty would change. We are campaigning to secure improved energy and planning policy and realise sustainable solutions to reduce greenhouse gas emissions. We believe this could be achieved through reducing our need for energy, as well as improving the way we use and generate energy. In addition, we have continued to express concern about the direct impacts of energy infrastructure (both for generation and distribution) on the landscape and tranquillity. A copy of our position statement on Energy is enclosed.

Our comments on the DPCR can be phrased around three principle questions:

- 1. How could incentives to Distribution Network Operators (DNOs) be used to encourage improved efficiency within the electricity distribution system, minimising the loss of energy and hence helping reduce the level of CO₂ emissions produced in powering it?**

The Government recently recognised that improving efficiency and using less energy is the *'cheapest, cleanest and safest way of addressing our energy policy objectives'* (Energy White Paper, 2003). Ensuring the distribution network performs to the highest efficiency will be a key measure in performing on that commitment. An indicator to assess progress in this regards could help ensure the distribution network plays its part in delivery energy policy objectives.

Registered Office
128 Southwark Street
London SE1 0SW

Telephone: 020 7981 2800
Facsimile: 020 7981 2899
Email: info@cpre.org.uk
www.cpre.org.uk

Patron
Her Majesty The Queen

President
Sir Max Hastings

Chairman
Sir Nigel Thompson

Chief Executive
Kate Parminter

The Campaign to Protect Rural England exists to promote the beauty, tranquillity and diversity of rural England by encouraging the sustainable use of land and other natural resources in town and country.

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2. How will incentives to DNOs help ensure that mechanisms are put in place to enable the connection and utilisation of distributed electricity sources?

CPRE supports the instalment of small-scale, community based and individual building based renewable technologies. We believe it will be important to secure a pricing mechanism that enables the sale of electricity into the distribution network when production exceeds individual (or community) demand. The right price incentives would make the uptake of such technologies attractive to individuals and communities. On a wide enough scale this could significantly contribute to reaching national targets to reduce carbon emissions and reduce our reliance on grid feeding fossil fuel power stations.

3. How will the DPCR reflect Ofgem's responsibilities with regard to environmental issues such as landscape, tranquillity and countryside character?

You will already have received detailed comments on this issue from Friends of the Lake District (FLD), the branch of CPRE in Cumbria. FLD have recently published '*The Scope for Undergrounding Overhead Electricity Lines*' (2003). This detailed report considers, amongst other issues, how the DPCR could play an integral role in securing improved levels of undergrounding. CPRE national office supports the recommendations of that study and the detailed comments addressed to you from FLD (letter from Jan Darrall, Policy Officer, 29th July 2003). In the interest of conserving the aesthetic and amenity purpose of designated areas of landscape value (in England these include National Parks and Areas of Outstanding Natural Beauty) we believe that it is essential that the statutory environmental responsibilities of the DNOs are promoted through the DPCR and the opportunity for undergrounding maximised.

We believe that the responsibility for resolving these questions falls fully within the review's objectives (as outlined in bullet points 1, 4 and 6 at paragraph 1.9 of the consultation paper). Since these issues do not receive adequate attention in the current consultation paper, we believe that the review does not, as yet, meet its potential to deliver on those objectives. We recommend that Ofgem demonstrates a clear commitment to resolving these issues in the policy document you have scheduled for publication in March 2004. In the meantime, if you would like to discuss any of these issues in more detail please do not hesitate to contact me at the address above or at jillh@cpre.org.uk.

I hope you will find these comments helpful.

Yours sincerely

Jill Hatcher
Senior Natural Resources Campaigner