

19 November 2003

Nienke Hendriks
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By email and first class post

Dear Nienke

DISTRIBUTION PRICE CONTROL REVIEW – OCTOBER 2003 UPDATE

The Council for National Parks (CNP) welcomes the opportunity to respond to the Update Document. CNP is the national charity which works to protect and enhance the National Parks of England and Wales and areas that merit National Park status and promote understanding and quiet enjoyment of them for the benefit of all.

CNP supports the detailed comments submitted by the Friends of the Lake District in its letter of 14 November. In addition, CNP would like to make the following points.

Environment Act 1995

CNP welcomes the reference in para 1.5 of the document to Ofgem's environmental duties in the Environment Act 1995. CNP considers that it would be helpful if Ofgem set out, in relation to the DPCR process, how it intends to fulfil its responsibility under Section 62 of this Act to have regard to National Park statutory purposes.

Outputs

CNP considers that outputs against which DNOs' performance will be measured should reflect all of their obligations, including an assessment of whether DNOs have fulfilled their statutory duties in respect of National Parks. Outputs for assessing quality of service could include landscape/amenity targets, for example the number of lines placed underground or the amount of spending on amenity work.

Consumer views

The final bullet point on page 22 is misleading and does not accurately reflect the consultants' summary of consumer attitudes to undergrounding.

CNP notes that 80% of domestic consumers and 77% of business consumers want more cables placed underground and 89% of domestic consumers and 80% of business consumers want wires put underground in National Parks and AONBs. The survey results also demonstrated that 40% of consumers were willing to pay an average of £30 per annum for undergrounding. The significance of these figures should be properly reflected in any future summary of the consumer survey.

Given Ofgem's objective to 'protect the interests of consumers', and the above-mentioned strong consumer support for undergrounding wires, CNP expects undergrounding to feature more prominently in future DPCRs and in guidance to DNOs.

Incentivising appropriate investment

CNP considers it essential that the incentive framework incentivises investment that maximises opportunity for amenity improvement and dis-incentivises harmful projects. Resource allocations to DNOs must enable them to integrate amenity protection adequately into their reinforcement plans in order to meet their environmental duties. This is particularly important in National Parks, where conservation and enhancement of natural beauty is part of the first statutory purpose, which Ofgem must have regard to in its work, including through the DPCR process.

Please do not hesitate to contact me should you require clarification of the above or any further information.

Yours sincerely

Ruth Chambers
Deputy Chief Executive