



David Hunt Esq  
Senior Manager – Electricity Transmission Policy  
Office of Gas and Electricity Markets  
9 Millbank  
London  
SW1 3GE

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Dear Mr Hunt

I refer to your open letter dated 23<sup>rd</sup> June 2007 in which you invited responses on the proposed costs being claimed by SHETL in their proposal for the upgrading of the Beaulieu to Denny transmission grid. Thank you for the opportunity to do so. This response is written on behalf of Scotland Before Pylons which is an umbrella group of objectors to the current proposal. Scotland Before Pylons do not oppose the transmission of electricity from the Highlands to the South of Scotland but we do not believe that the current proposal was adequately reviewed through consultation, nor alternative transmission options fully appraised as would have been necessary through a Strategic Environmental Assessment, and it appears that the Inquiry has been placed in a straight jacket process within which it is difficult for objectors to comply. The proposal as submitted to Scottish Ministers falls well short of best practice in the 21<sup>st</sup> century for a country which aims to be a leader in nurturing the environment.

In answer to your question on the validity of the summary of costs outlined in Appendix one of your letter, we would suggest that it is difficult for any party without experience of the normal costs of preparing proposals for electrical upgrades, to know if the costs are reasonable. We note however as has been expressed by the applicants to the Inquiry, that OFGEM is obliged by law to require all costs of the upgrade to be both efficient and economic taking account of the environmental impact. We would therefore hope that OFGEM could make an appropriate assessment on these criteria in reviewing the proposed costs. As consumers of electricity we look to OFGEM to make this valued judgement and not to be swayed by an ambitious commercial operator. If the costs of the Inquiry are to be increased so soon can anyone be confident that the total cost of the proposal at £332 million is an achievable

target? If it is not then alternative options for transmission should surely be considered now.

We note that there is a repayment due from third parties totalling £394,000. I understand from your response to Mr Pearson that this is due from contractors. It is perhaps surprising that this total due for re-payment is some 11% of the total consultants' costs. If the consultants' costs are to be underwritten by consumers when can we expect to know who is the contractor who has presumably been over paid and why? These payments call into question the management of the project. I am sure that OFGEM will wish to explore the level of and the reason for the repayments.

We note however that the costs for the anticipated 9 months of the current financial year are 69% of the total costs for SHETL's participation at the Inquiry. We are surprised at this high level of costs in this year especially for the technical and environmental works much of which should have been completed in advance of the Inquiry. There are clearly good reasons why the legal costs should be apportioned in the second year. It is interesting that SHETL should be seeking an increase in budget costs at this stage as a result of the Inquiry, having advised OFGEM in January 2007 of a possible increase. SHETL should have been fully aware of the consequences, and therefore the potential costs, of an Inquiry for such an infrastructure provision along the spine of Scotland which attracted over 17,000 objections. An Inquiry was held on two occasions for upgrades in Yorkshire and one for the Irish interconnector in Scotland. It must have been inevitable that a Public Inquiry would be called for such a prominent proposal that is so damaging to the environment. Perhaps SHETL were not prepared for the determination of the objectors, but if so this demonstrates a lack of 'listening' at the consultations. We contend that is no reason to seek an increase in the costs of attending the Inquiry. As Mr Pearson has noted in his letter to you on behalf of Stirling Before Pylons, it is extremely difficult for objectors, many who represent communities, and who do not have access to funding required for a full professional team of advisers, to adequately represent their views to the Inquiry.

We note that the Reporters in their letter of 22<sup>nd</sup> December 2006 and Scottish Ministers in their letter of 29<sup>th</sup> June 2007 to objectors, confirmed that the applicants are under no obligation as license holders to upgrade this line. The proposal must therefore be a commercial investment and in these circumstances we question the need for the applicants to make a submission to OFGEM for an increase in costs for a commercial development.

We would wish to accept your invitation to have an opportunity to attend your proposed consultation in August and look forward to discussing these points.

I look forward to hearing from you.

*David MacLehose*

David MacLehose  
Chairman  
Scotland Before Pylons

**Please reply to Heritage Solutions, Over Kinfauns, Perth, PH2 7LD tel 01738 860887  
david@heritagesolutions.co.uk**

