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David Hunt Esq,
Senior Manager, Transmission Policy,
OFGEM,
9 Millbank,
London SW1P 3GE.

16th July 2007.

Dear Mr Hunt,

Proposed Income Adjusting Event for Beauly Denny Public Inquiry.
Costs incurred by the Applicants.

I refer to your open consultation letter of 25th June.

I act for the Beauly Denny Landscape Group which participates in this inquiry.

My clients do not agree that SHETL's proposals for permitting expenditure for the Beauly Denny Public Inquiry costs should be taken into account as additional expenditure under their licence in the manner or to the extent referred to in your letter or in any way.

The reason for my clients' position is that it creates procedural unfairness in a high degree which acts to the serious prejudice of my clients and other objectors.

The common law requires that parties before a decision making body are treated fairly and equally.

Article 6(1) of the European Convention on Human Rights states "In the determination of his civil rights and obligations…..everyone is entitled to a fair and public hearing…"

Fairness involves "an equality of arms" that is to say that "each party must be afforded a reasonable opportunity to present his case, including his evidence, under conditions that do not place him at a substantial disadvantage vis-à-vis his opponent". *Dombo Beheer BV v The Netherlands 18 EHRR 213.*

According to your letter the sums associated with this inquiry and to be borne by the Applicants exceed £6 million. During the strategic session which I attended the Applicants were represented by at least 3 advocates and 2 solicitors and called over 30 witnesses.

My clients comprise environmental groups without the means to pay fees for representation. Their legal and technical representation was carried out on the basis that they reimbursed legal and witness out of pocket expenses where that was sought.

The size of the burden borne by my clients in dealing with the Applicants technical evidence and submissions over many weeks is reflected in the over £6 million cost of the material submitted by the Applicants.

The proposal that the Applicants expenditure in the sums referred to your letter becomes an Income Adjusting Event so that it is refunded by consumers, is procedurally unfair.

At no time has it been suggested that my clients would be able to prepare for and present their case on the basis that the expense of doing so might or would be met by others.

This proposal should be refused.

I note that SHETL gave OFGEM notice of their intention to make this application on 30th January 2007, that is before the hearing started. My clients have received no notification of this intention or indeed this consultation. They were sent a copy of it through industry connections without which they would have not known about it. I have no reason to believe that other parties appearing at the inquiry are in a different situation. Is that correct?

Yours sincerely,

Walter Semple