

Andrew MacFaul,
Head of Better Regulation
OFGEM,
9 Millbank,
London
SW1P 3GE

By e-mail to andrew.macfaul@ofgem.gov.uk

24 September 2008

Dear Mr MacFaul,

Corporate Strategy and Plan 2009 - 2014

As you will know Friends of the Lake District are a landscape charity covering the whole of Cumbria. We have approximately 7000 members, represent the CPRE in Cumbria and are members of the Campaign for National Parks. In responding to the request for views on Ofgem's strategy and plan for 2009-2014 we would simply wish to reiterate what we have stated on previous occasions.

Thus we believe that the challenges facing the electricity industry in the short to medium term include the following.

1. Ofgem has statutory duties both with regard to sustainable development and the environment¹ and the electricity industry, both transmission and distribution, should be given incentives to take more account of these duties rather than simply focussing on financial costs and indicators that are related to monetary objectives such as economic efficiency and maximising profits. These duties are based on the public's priorities as 'citizens' (acting collectively, in the public interest) rather than the aggregate preferences of consumers (acting individually for their personal interests). This important distinction is well made in the recent Ofcom discussion document, *Citizens, Consumers and Convergence* and has been recognised by Ofgem in the very fact of establishing the allowance to underground electricity distribution lines in designated areas².

Ofgem as you will no relies heavily on surveys of individual customers and their willingness to pay in determining action to meet its environmental duties. We would argue that while analysis of consumers' willingness to pay may provide one source of data to inform how these duties might be met, to base a response wholly upon it would be inappropriate. It would not, for example, adequately inform how best to meet long-term responsibilities, and the interests of future generations. We believe that Ofgem should consider a number of broad approaches to gauge stakeholder views on to what extent monetary and

¹ Section 11A of the National Parks and Access to the Countryside Act 1949 as amended by Section 62 of the Environment Act 1995, Section 17A of the Norfolk and Suffolk Broads Act 1988 and Section 85 of the Countryside and Rights of Way Act 2000.

² National Parks and Areas of Outstanding Natural Beauty.

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efficiency objectives should be balanced against sustainable development criteria including visual amenity, landscape character, carbon emissions and reducing electricity losses.

2. We have responded to the 'DPCR5 – initial consultation document'. FLD believes that the scheme to underground overhead electricity distribution lines should continue. We like many other landscape conservation bodies think it is a great scheme, it supports the fulfilment of both Ofgem's and DNO's environmental duties, it results in an improvement in the quality of some of our most highly valued landscapes, supports sustainable economies, addresses consumer concerns and has shown considerable uptake by DNOs. However FLD believes it can be improved upon and would hope that the issues identified in our response will be carefully considered. We would like to see the allowance embedded and continued on a permanent basis rather than being an add-on in each DPCR period.
3. Pylons associated with the transmission network have detrimental effects on both landscape character and visual amenity. There is wide agreement that electricity pylons striding across valued landscapes destroy qualities such as views, far horizons, openness, space and remoteness. Thus we believe that provision should be made to enable existing pylon networks to be placed underground in designated areas. In addition as we have noted before we believe that new lines should be routinely placed underground in areas of outstanding landscape value. This is a crucial issue particularly for the transmission industry, as planning applications to connect power generated from renewable sources into the National Grid has shown. We believe for offshore generated power the alternative of a transmission network based on sub sea cables down the east and west coasts of the United Kingdom should be regarded as the preferred option.
4. We note the work currently being led by Ofgem on long term electricity network scenarios. We hope that in determining scenarios for electricity network development a comprehensive range of issues will be taken into account including sustainable development and environmental impact including visual amenity.

FLD hopes that the above response is helpful. Please do not hesitate to contact me should you require clarification of any of the above or any further information.

Yours sincerely

Penny Ozanne

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Project Officer – Overhead Wires
Friends of the Lake District

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