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By email to: RIIO.ED1@ofgem.gov.uk

28 November 2012

Dear Ms Rossington

Response to RIIO-ED1 Strategy Consultation

Thank you for the opportunity to respond to the Ofgem RIIO-ED1 strategy consultation.

The Campaign for National Parks is the independent national voice for the 13 National Parks in England and Wales. Our mission is to inspire everyone to enjoy and look after National Parks – the nation's green treasures.

National Parks are our finest landscapes with the highest level of protection. Their statutory purposes are to conserve and enhance wildlife, cultural heritage and natural beauty, and to promote opportunities for public enjoyment and understanding of their special qualities. For over 75 years the Campaign for National Parks has been working to ensure that our National Parks are beautiful, inspirational places that are relevant, valued and protected for all.

Our main interest in this consultation relates to the visual amenity allowance for undergrounding overhead lines in National Parks and Areas of Outstanding Natural Beauty (AONBs), covered in Section 5 of the 'Outputs, Incentives and Innovation' document. We would like to make the following comments in connection with this:

1. We welcome Ofgem's commitment to retaining the existing allowance with few changes. It has already delivered many benefits and has the potential to deliver many more.
2. Q4 asks about the need for guidance on the 10% allowance. The feedback we have had to date from our members in National Park Societies, many of whom are very involved in the stakeholder groups supporting implementation of the visual amenity allowance, suggests the 10% allowance is working well in some cases but that it could

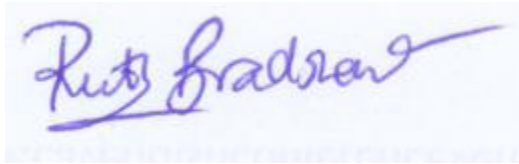
usefully be taken up more widely. Our view is therefore that there is no need for prescriptive guidance as it is important that local flexibility is retained but it would be useful to provide some case study examples setting out where the allowance has been used effectively to encourage others to make greater use of it.

3. We note that Ofgem is proposing to take into account, where relevant, the results of the further willingness to pay (WTP) analysis that National Grid has been asked to undertake to inform the level of the enduring expenditure cap for the rest of RIIO-T1 (para 5.51). We submitted a joint response with CPRE, Friends of the Peak District and the John Muir Trust to the consultation on RIIO-T1 which closed in September. In this, we argued that the existing research undertaken by National Grid was robust and that the undergrounding allowance for RIIO-T1 should be increased significantly. We do not believe that further WTP research is required for transmission lines but even if it is undertaken it would not be appropriate to apply the results to distribution lines without further consultation with stakeholders.
4. Q6 asks for our views on the proposals with regard to DNO assessment and stakeholder engagement. We welcome the proposal that DNOs should publish their approach to assessing undergrounding projects, particularly taking into account their approach to any competing factors. This should provide greater clarity for interest groups. However, we would not want this requirement to lead to any additional bureaucracy nor to any reduction in the funding available for undergrounding, if this requirement results in increased costs for the DNOs.
5. With regard to the scope of the allowance, we believe strongly that it should continue to be used only for National Parks and AONBs in England and Wales, although we do accept that it may be appropriate to include National Scenic Areas in Scotland given the AONB designation does not apply there. However, we would not want to see the allowance extended to cover any other areas and we do not believe that there is any justification for doing so given that both the WTP research used to set the size of the allowance and the statutory basis for creating it in the first place apply only to National Parks and AONBs.
6. Finally, we are currently heavily involved in lobbying for the removal of clause 7 of the Growth and Infrastructure Bill, as we are concerned that this could lead to the implementation of new overhead lines in National Parks, by removing the need for prior approval for broadband infrastructure. It would be a real waste of all the time and money that

has gone into creating and delivering Ofgem's visual amenity allowance in recent years if this measure leads to a proliferation of new overhead broadband lines in areas where electricity lines have been put underground. We would encourage Ofgem to engage with Ofcom on this issue.

We trust that these comments will be helpful in the future development of the RIIO-ED1 strategy. We have welcomed the opportunity to engage with Ofgem on these issues through the environmental stakeholders group and are keen to continue working with you to ensure that National Parks can continue to benefit from the visual amenity allowance most effectively.

Yours sincerely

A handwritten signature in blue ink, reading "Ruth Bradshaw". The signature is written in a cursive style with a long horizontal flourish at the end.

Ruth Bradshaw
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Campaign for National Parks

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