

To : Iain.morgan@ofgem.gov.uk

15th January 2013

Dear Iain,

Consultation letter: Joint Regulators Group (JRG) work considering possible impacts of regulatory frameworks on opportunities to coordinate infrastructure work across sectors

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, coal and gas-fired electricity generation, renewables, and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including residential and business users.

I confirm that this letter may be published.

We note that network companies are already incentivised to reduce costs in installing infrastructure. However, this in itself will not capture externalities and various coordination benefits, including those of a social or environmental nature. One means of providing greater focus on this, would be through the use of the Network Innovation Fund or similar which could provide some incentive on network companies to consider these wider benefits.

It is likely that some nearest-the-home distribution assets will need replacement soon, both due to asset lifetimes, and due to possible reinforcements to accommodate the electrification of motor cars and home heating that is vital to hitting our national decarbonisation targets. We are not familiar with the timing of the rollout of new high-speed broadband, but depending how this develops there are some clear possible synergies. It is possible to incorporate fibre-optic high speed communication cables within DNO cables at all voltage levels, so subject to some flexing of the local timetable for either the broadband rollout or the DNO reinforcement, the cost saving could be significant. The cost of physically entrenching and laying new DNO street cables is believed to outweigh the cost of the cable themselves; this will be even more so for new communications cables. We would like Ofgem to work with Ofcom to consider if there is scope for strategic co-ordination in these matters.

Should you wish to discuss this or have any queries, please contact me on 01452 658415.

Yours sincerely,

A handwritten signature in black ink, appearing to be "AM", with a long horizontal stroke at the end.

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