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By email to: [RIIO.ED1@ofgem.gov.uk](mailto:RIIO.ED1@ofgem.gov.uk)

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Dear Ms Rossington

Thank you for the opportunity to comment on the Business Plans of the Distribution Network Operators (DNOs) for the RIIO-ED1 period and for allowing us a slight extension to the original deadline for commenting.

The Campaign for National Parks (CNP) is the charity that campaigns to protect and promote National Parks in England and Wales as beautiful and inspirational places enjoyed and valued by all. It has been in existence for over 75 years. We work closely with the National Park Societies. The Campaign to Protect Rural England (CPRE) exists to promote the beauty, tranquillity and diversity of rural England, both within and outside nationally designated areas (National Parks and Areas of Outstanding Natural Beauty). As a charity with a branch in every county, over 200 district groups and more than 2,000 parish council members, we have considerable local and national expertise in planning policy.

Our interest in the price control review process is primarily in relation to the allowance for the undergrounding of overhead lines in National Parks and Areas of Outstanding Natural Beauty (AONBs). We are very pleased that Ofgem has chosen to retain this allowance for the RIIO-ED1 period. As Ofgem has highlighted<sup>1</sup>, there is strong stakeholder support for this allowance which has already resulted in the burial of over 200km of overhead lines since 2005. We also welcome the fact that the majority of the DNOs intend to invest the full amount for which they are eligible during RIIO-ED1, which will result in the removal of significant lengths of overhead lines in their area over the period to 2023. Northern Powergrid, for example, has chosen to do this and plans to bury 100km of overhead lines over the RIIO-ED1 period, more than any other operator. This is despite reporting that its own research with stakeholders identified limited support. It has put this expenditure in context by reporting that it represents only 0.4% of its total costs.

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<sup>1</sup> Strategy decision for the RIIO- ED1 electricity distribution price control – overview (para 5.32):  
<http://www.ofgem.gov.uk/Networks/ElecDist/PriceCtrls/riio-ed1/consultations/Documents1/RIIOED1DecOverview.pdf>

Unfortunately Western Power Distribution (WPD) is taking a different approach. We welcome the fact that WPD is reporting an increase (35%) in the total length of power lines to be undergrounded in RIIO-ED1 compared to the current DPCR5 period and that this represents a slight increase on what was proposed in their draft business plan published earlier this year. However, we are very disappointed that the final proposed investment is only £7.7 million in total, which represents less than a quarter (23%) of the Ofgem allowance of £33.2 million. WPD have argued that this level of investment was set in response to the feedback at stakeholder events but we believe that they have failed to take account of a number of other important and relevant issues that they should have considered in making this decision.

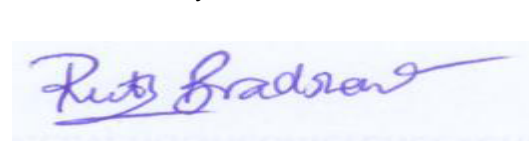
National Parks and AONBs are national assets which are used and valued by visitors from across the country as well as residents. There is a particular concentration of nationally protected landscapes in areas covered by WPD such as South West England and South Wales, and WPD lines in these two areas account for around a quarter of all the overhead lines in nationally designated landscapes in both countries put together. It is therefore far more appropriate to rely on the findings of the national Willingness to Pay (WTP) research conducted for Ofgem which was used as the basis for setting this allowance. WPD have not explained why they feel their own more limited research should outweigh Ofgem's national WTP research, nor why it is not possible for them to spend a greater proportion of this allowance given the small proportion of their total costs it represents and the fact that other DNOs are making full use of the allowance. It is also important to remember that part of the justification for introducing this allowance in the first place was Ofgem's statutory duty to have regard to National Park and AONB purposes.

For the reasons set out above, we believe that the WPD business plan is not sufficiently well-justified and its quality is not high enough to have their price control agreed early. We therefore request that Ofgem do not fast-track WPD but instead ask them to resubmit an amended business plan that takes account of the points we have raised above and takes greater consideration of the RIIO-ED1 Strategy Decision undergrounding allocations for 2015-2023.

Finally, if Ofgem does decide to fast-track the current WPD business plan (with the low level of investment in undergrounding), then we propose that Ofgem should re-allocate the unutilised WPD allowance – currently £25.5 million – to those DNOs that intend to invest their full Ofgem visual amenity allowance. This would ensure that the total expenditure that the public has indicated that it is willing to pay would be utilised and the UK public would derive the full benefit from this, even though those in the WPD areas would get relatively less benefit.

Please do not hesitate to contact either of us if you have any queries or would like further clarification about any of our comments.

Yours sincerely



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