

11 August 2009

By email

Dear Sir

**Operating the Electricity Transmission Networks in 2020 – response to initial consultation**

Many thanks for the opportunity to respond to this impact assessment. Our views on National Grid's initial consultation on operating the Electricity Transmission Networks in 2020 are set out below.

Consumer Focus is the statutory organisation campaigning for a fair deal for consumers in England, Wales, Scotland and, for postal services, Northern Ireland. We are the voice of the consumer and work to secure a fair deal on their behalf.

Due to their technical nature, we feel that it is neither appropriate nor feasible for Consumer Focus to provide detailed responses to the questions posed in the consultation document. However, there are some key issues that arise in response to the consultation document that we would like to be considered in the subsequent stages of National Grid's work in this area.

Firstly, Consumer Focus notes the three policy objectives that National Grid cites as guiding the views and analysis within the consultation document: 1) to enable the attainment of government climate change targets; 2) to maintain current levels of security of supply in National Grid's residual balancing role; and 3) to minimise cost to consumers. We are fully supportive of these objectives and would urge National Grid to uphold them as key drivers for the duration of this piece of work.

We also note that development of National Grid's electricity system operator systems will require investment of £9m for the next 5 to 10 years (paragraph 2.7). We are reassured by National Grid's assertion that '*this new investment would represent good value in the task of meeting emission and renewable energy targets and provide a platform for reducing the overall costs of electricity borne by the consumer*'. However, we seek confirmation from National Grid that investment levels will be closely monitored to ensure that they remain appropriate and that the anticipated benefits, particularly those affecting costs borne by the consumer, are being realised and passed through.

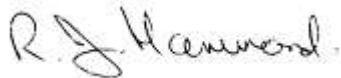
Finally, one specific area of concern for Consumer Focus (given its impact on the costs passed on to consumers) is the huge (and increasing) cost of constraint management. We seek

assurance from National Grid that any package of solutions resulting from this piece of work will take into consideration and fully dovetail with any outputs of the Transmission Access Review.

While we do not have any specific technical input to provide to the consultation at this stage, we recognise that it incorporates a range of issues that have a direct impact on consumers (i.e. costs, environmental impacts, security of supply). Therefore, we await with interest the next steps and actions resulting from this consultation.

I hope these comments are helpful. My colleague, Victoria Moxham, would be pleased to follow them up with you either in person or by telephone (victoria.moxham@consumerfocus.org.uk; 020 799 7935).

Yours faithfully,



Robert Hammond

Head of Regulated Industries