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1 Feb 2013

Dear Dora,

Low Carbon Networks Fund - electricity demand

I am writing to you on behalf of Northern Powergrid Holdings Company and its wholly owned electricity distribution licensees Northern Powergrid (Northeast) Limited and Northern Powergrid (Yorkshire) plc. This letter provides our response to Ofgem's recent question regarding the funding of demand reducing or shifting technologies as a part of Low Carbon Network fund (LCNF) projects.

Our responses to the two questions posed are as follows:

- 1. Do you agree that trialling electricity demand reduction or shifting through the LCN Fund could provide DNOs with valuable learning on their role in supporting the development of a low carbon economy?*

We welcome the ability to use the LCNF for an increased range of demand reduction and shifting technologies. The ability to incorporate such equipment into projects and trials, as a part of an integrated approach alongside other technologies, is potentially valuable in allowing us to fully explore ways to make the best use of installed network capacity. Demand side management in all of its embodiments will clearly form a large part of future networks and this change to the LCNF governance will potentially help in developing the learning required to effectively and efficiently bring such future networks to fruition.

- 2. Does the drafting proposed in annex 1 facilitate the trialling of electricity demand reduction or shifting through the LCN Fund?*

The arrangements outlined in the annexe seem to be entirely appropriate. We believe that these will facilitate the additional trialling of demand reduction/shifting. We are supportive of the pragmatic and flexible approach being taken here, as has been the case with the development of the LCNF governance from the very beginning.

I hope you find these comments useful. If you have any questions arising from this response please do not hesitate to make contact.

Yours sincerely

Chris Goodhand