



Dora Guzeleva, Head of Network Policy:
Local GridsOfgem
9 Millbank
London
SW1P 3GE

01 February 2013

Dear Dora

Low Carbon Networks Fund – electricity demand

Thank you for giving SGN the opportunity to respond to Ofgem's letter of 7th December 2012 on whether trials of certain electricity demand measure should qualify for Tier 2 funding under the LCNF.

We support the inclusion of demand reduction and shifting into the LCNF and would encourage Ofgem to include these measures for gas in its NIA Governance Document, which is currently being drafted.

SGN would find it beneficial to be able to include measures which require action on the customer's side of the meter to help us monitor and manage demand. By including this in the NIA, we would be more easily be able to share learning with other GDNs and other interested stakeholders.

Ofgem's proposed changes to the LCNF Governance Document would allow DNOs to include these demand reduction and variation measures to be included in those which we can claim under the fund. We therefore support the proposed changes as drafted and would encourage Ofgem to carry these over into the gas NIA.

Yours sincerely

A handwritten signature in black ink, appearing to read "Gareth Shields".

Gareth Shields
Networks Regulation