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Registered in England and Wales No: 3870728

Dora Guzeleva Head of Networks Policy: Local Grids Ofgem 9 Millbank London SW1P 3GE

1 February 2013

By email only: lcnfund@ofgem.gov.uk

Dear Dora

Low Carbon Networks Fund – electricity demand

Thank you for the opportunity to provide feedback on the above letter. Please treat this response as being on behalf of UK Power Networks' three distribution licence holding companies: Eastern Power Networks plc, London Power Networks plc, and South Eastern Power Networks plc. This response is not confidential and can be published on Ofgem's website.

Your letter posed two questions that we have provided answers to below:

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 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.

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

In respect of section 3.10, we believe that further clarification on the interaction between the new bullet in red and the one following it would be beneficial. As currently drafted it would seem to exclude any devices for monitoring demand at a customer level on their premises even if that was part of equipment for the purposes of reducing or shifting electrical demand.

I hope the above is useful feedback, if you have any questions please do not hesitate to contact Paul Measday in the first instance.

Yours sincerely

Keith Hutton Head of Regulation Copy Paul Measday, Regulatory Returns & Compliance Manager Sam Williams, Ofgem

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