



Office of the Chief Executive

Registered Office:
Newington House
237 Southwark Bridge Road
London SE1 6NP

Registered in England and Wales No: 7290590

Company:
UK Power Networks Holdings Limited

Tel: 020 7397 7977
Fax: 020 7397 7967
bscarsella@ukpowernetworks.co.uk

Paul Heseltine
Associate Director Finance and Risk Management
Ofgem
9 Millbank
London
SW1P 3GE

23 January 2013

Dear Paul

Notice under section 11A(2) of the Electricity Act 1989 – consultation on proposed licence modifications to the licence fee payment conditions in all gas and electricity licences and other consequential changes

Thank you for the opportunity to comment on the above notice, dated 20 December 2012. This response should be regarded as a consolidated response on behalf of UK Power Networks' four distribution licence holding companies: Eastern Power Networks plc, London Power Networks plc, South Eastern Power Networks plc and UK Power Networks (IDNO) Ltd.

We have reviewed the proposed amendments and consent to their implementation. We do however note the following in respect of the schedule to Appendix 8 which affects the distribution licensees:

1. In condition 5.5 sub paragraph (a) in the definition of "Estimated Costs" is not included – we assume this is being left unchanged and our consent to its implementation is based on this assumption.
2. The deletion of sub paragraph (b) in the definition of "Relevant Proportion" in condition 5.5 means the need for this definition to have a separate sub paragraph (a) is no more. For clarity of drafting we support the combining of the text in (a) into the main definition of "Relevant Proportion".

Finally, in respect of the track changed "Licence fee cost recovery principles" document which has been track changed to show the updates, we believe that it would be beneficial to explain who Chiene & Tait are and their relationship to Ofgem.

If you have any questions, please do not hesitate to contact Paul Measday (01293 657853) in the first instance.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Basil Scarsella".

Basil Scarsella
Chief Executive Officer

Cc: Paul Measday, Regulatory Returns and Compliance Manager, UK Power Networks