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*Promoting choice and value for  
all gas and electricity customers*

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Date: 18 April 2013

Dear Keith

**UK Power Networks (IDNO) Ltd and London Power Networks plc**

We published a public consultation on 1 March 2013<sup>1</sup> in response to your letter to us dated 11 February 2013, in which you set out your intention to consolidate the electricity distribution system of UK Power Networks (IDNO) Ltd ('the IDNO') into that of London Power Networks plc ('LPN') with effect from 1 April 2013.

Our consultation gave suppliers, consumers and other stakeholders the opportunity to make any comments or raise any concerns regarding any impact of your proposed transfer by sale of the IDNO's network assets to LPN.

The consultation closed on 28 March 2013 and there were no substantive policy or impact issues raised in the two consultation responses we received. We do not consider that there will be any impact on other stakeholders or suppliers.

We understand that legal transfer of the assets from the IDNO network to LPN took place on 1 April 2013. Although the IDNO will not own or operate any electricity distribution assets after 1 April 2013, the licence will remain in place for approximately three years in order to facilitate the orderly transfer of meter point registrations.

We outlined the procedure we intended to follow with regard to ongoing licence compliance by the IDNO in Appendix 1 of our consultation letter. We are now in the process of considering a number of derogation requests submitted by UKPN in order to ensure that licence conditions are met in the most effective and efficient way, whilst protecting the interests of consumers.

We will issue our decision on the relevant derogation requests to UK Power Networks as soon as is practicable. For the avoidance of doubt, as you are aware, the IDNO will continue to be required to comply with its obligations under the licence, subject to such derogations and consents as may be granted.

Yours sincerely

Olivia Powis  
Senior Manager, Smarter Grids and Governance (Distribution)

<sup>1</sup> Public consultation letter and associated documents:  
<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=144&refer=Networks/ElecDist/Policy/IDNOs>