



OFGEM
9 Millbank
London
SW1P 3GE

24th November 2006

Dear Sir,

With reference to your open letter of 5th October I would like to make the following comments:

Kehui (UK) Ltd is a relatively new company specialising in the development of equipment for detecting and locating intermittent faults on low voltage underground cables. Whilst the initial development of the equipment was funded without IFI support, the IFI scheme has encouraged several DNOs to participate in more extensive field evaluation than would otherwise have been the case. Following the successful performance of the equipment a further IFI project is currently being established involving joint collaboration between 3 DNOs, ourselves and an outside contractor to develop the management tools to allow the full benefit of the equipment to be realised. By working collaboratively the costs and time to implementation will be reduced for all parties. Such collaboration would have been unlikely without the encouragement of the IFI scheme.

I trust the above comments will be useful.

Your sincerely

Dr Philip F Gale
Managing Director

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