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Mr Dipen Gadhia Industry Codes and Licensing Ofgem 9 Millbank London SW1P 3GE

27 January 2009

Dear Dipen,

Response to Consultation - Review of Industry Code Governance - Environment and Code Objectives

This response is short and to the point because I am aware of the exhaustive research and effort that both industry participants and Ofgem put into these questions, leaving little that one can add to the debate.

Nevertheless I would like to add my view, which is that Ofgem should lose no time in properly aligning all of the Industry Code Objectives with its own Principal Objective and General Duties. Not to do so makes nonsense of industry consultation, participation and regulatory certainty for the reasons that many have enumerated in the debate thus far.

I understand the Energy Act 2008 contains provisions which further strengthen Ofgem's duty to consider sustainable development in its decisions. There are few more important areas of Ofgem's decision making than on the industry's Codes.

It is my view that Ofgem is required to ensure that the arrangements for bringing about Code changes are fully compatible with the achievement of its own Principal Objective and General Duties, and certainly do not frustrate some of them, as is currently the case.

Yours sincerely,

Nick Simpson SSH Associates