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Our ref Your ref

9 September 2008

Dear Paul

<u>Changes to the licence fee cost recovery principles following the Consumers, Estate Agents and Redress Act 2007</u>

I am writing in response to your letter regarding proposed revisions to the licence fee cost recovery principles document.

We do not have any comments on the proposed changes as these reflect the changeover from energywatch to the new NCC and Consumer Direct.

We would appreciate an early indication of these costs in relation to WPD's Licence Fee for 2008/09 so that we can adjust our budgets as necessary.

From 2009/10 we would expect this element of the licence fee to reduce in line with the overall object to streamline consumer representation.

Yours sincerely

ALISON SLEIGHTHOLM

Regulatory & Government Affairs Manager

