



31 August 2004

Office of Utility Regulation
Hirzel Court
St Peter Port
Guernsey GY1 2NH

Dear Sirs

Re: Update of OUR's Regulatory Accounting Guidelines for C&W Guernsey - Consultation Document No: OUR 04/15

We refer to the subject consultation document and we note from Section 3.1.3 that the OUR has taken account of the ongoing work of the European Commission and the ERG in relation to the updating of the original Commission Recommendation 98/322/EC.

We welcome that fact that the OUR has adjusted the draft Guidelines to take key points into account, notably in relation to transparency, data integrity and verification and we support the intent of the OUR to continue to monitor these developments and update the draft Guidelines further as appropriate.

In light of the above general comments, we are pleased to provide the following responses to the questions within the Consultation Document:

- Q1.** We consider that the expanded guidance in Section 3 of the draft Guidelines on the application of the Regulatory Principles is appropriate, useful and in line with international practice.
- Q2.** We consider that the proposed audit guidance should provide interested parties with greater confidence in C&WG's regulatory accounts, subject to proper adherence to the Guidelines.
- Q3.** We consider that the grouping and expansion of the issues in Section 4 is appropriate, useful and in line with international practice.
- Q4.** We consider that the grouping of the issues in Annexes is appropriate, useful and in line with international practice.

We would be pleased to discuss particular aspects of our response with you in more detail if required.

Yours faithfully
NEWTEL GUERNSEY LIMITED

PETER C FUNK
DIRECTOR

PCF/jk

cc Robin Baird – Newel
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