

4 The Courtyard, Alban Park  
St Albans AL4 0LA

Date: 01/02/02

Lisa Vango,  
Office of Gas and Electricity Markets  
9 Millbank  
London SW1P 3GE

Dear Ms Vango,

re: **British Gas Acquisition of Enron Direct**

Thank you for the opportunity to provide our comments on issues arising from the acquisition of the supply business of Enron Direct Limited by British Gas Trading. We were disappointed that a supply operation similar to our own, and clearly being quite well managed, suffered as a consequence of matters outside their control, and indeed outside the control of the UK regulatory authorities.

In general we do not have any great concerns about the process, particularly in the light of the speed with which it was completed. We appreciate the pressure exerted by Ofgem in this regard.

One issue of concern was the amount of misleading and inaccurate information provided by British Gas on the details of the transaction. In a variety of press, internet and other statements they have portrayed the transaction as a purchase of Enron Direct, which was clearly the not the case. They also portrayed themselves as the new supplier without seeking the customers' consent. This has led to a large amount of confusion as to the contractual rights of the customers concerned. It would have been helpful if Ofgem and Energywatch had given clear and consistent advice on this matter.

Yours sincerely,



William N. Bullen  
Energy Trading Director