

MNASSOCIATES**MNA****CHAIRMAN:** THE RT. HON. THE LORD NORRIE
DIRECTORS: LISA BARNES, R.G. MARRIOTT LL.B (HONS)

April 17, 2002

Lisa Vango
Ofgem
9 Millbank
London
SW1P 3GE

By fax to: 020 7901 7077

Dear Ms. Vango,

Re: RWE's acquisition of Innogy.

We thank you for your emailed copy of OFGEM's paper "RWE Group's proposed acquisition of Innogy Holdings plc - A consultation paper."

We have some substantive concerns about RWE's internal capacities, willingness and corporate competence, to integrate improved IT systems, in the interest of quantified cost and work efficiencies in Customer Services - eg: Call Centres.

This is a consequence of what we have experienced recently with RWE in Essen, as an unwillingness to provide effective integration of diverse IT systems. RWE has declared that it does not develop new IT products, given (in writing) as a reason for not being able to implement new IT technologies. This in fact means that it is unable to integrate, more efficient IT systems, designed to improve the productivity and efficiency of customer service IT based systems. It also means that there is a serious technical and organizational deficiency to provide better value and quality of customer services, through more efficient IT capabilities and resources.

The issue is what is the value to customers of a trade buyer, if there is no defined added value of an acquisition to the customer base?

Please advise how our concerns, based on factual observations and experience, can be expressed and how they will be considered, even represented to RWE, consumer groups and OFGEM.

We look forward to your comments, advice and guidance. Otherwise, please accept this letter as an expression of concern, at the least, and opposition to the acquisition, unless RWE provides firm assurances concerning its plans to improve customer services through IT systems improvements and integration, as consumer benefits resulting from the acquisition.

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If not, then are we to understand that the proposed acquisition is merely a financial transaction, with no defined and quantified added value to the customers of Innogy?

Sincerely,

R. Marriott

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Director