



CONFEDERATION OF UK COAL PRODUCERS

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Our Ref: BJR/4104/af
23/5/02

Mr Ben Woodside
Strategy and Corporate Transactions
Ofgem
9 Millbank
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Dear Mr Woodside

TXU Europe Group plc's completed acquisition of the UK electricity and gas supply and trading businesses of Amerada Hess Limited

A consultation paper

The Confederation of UK Coal Producers (Coalpro) represents member companies who produce over 80% of UK coal output. The great majority of this production is sold to the electricity generating industry. Coalpro therefore takes a close interest in all developments affecting that industry and has supported the introduction of NETA and Ofgem's objectives in maximising competition in the electricity and gas industries.

Coalpro examines all Ofgem consultation documents on completed or proposed mergers. We do not normally respond where the degree of concentration is limited. We have, however, become concerned at the cumulative effect of such restructuring where mergers and acquisitions result in further vertical integration and a greater degree of integration between the electricity and gas industries.

This concern has greatly increased following the proposed merger between NGC and Lattice. Coalpro has responded to Ofgem's consultation on that merger and a copy of that response is attached for reference.

It is Coalpro's view that a halt should now be called to all mergers and acquisitions involving any further integration between the electricity and gas industries until issues associated with the NGC/Lattice proposal have been resolved.

Yours sincerely

Brian J Rostron
Director General