

Scottish and Southern Energy's acquisition of Medway Power Ltd

On October 3 2003 Scottish and Southern Energy plc (SSE) agreed to acquire the equity interests of AES Medway Electric Ltd and EDF Energy (South East Generation Ltd) in Medway Power Ltd (Medway). SSE, which already owns 37.5% of the equity, will become the sole owner of Medway - a 700 MW combined cycle gas turbine (CCGT) power station on the Isle of Grain in Kent.¹

SSE will also acquire AES Medway Operations; a wholly-owned subsidiary of AES which operates and manages Medway.

As a result of the acquisition SSE will have almost 5,500 MW of generating capacity in Great Britain (GB). SSE also has significant other gas and electricity interests in GB; primarily in the supply of over 5 million energy customers and the transmission and distribution of electricity to nearly 3.3 million customers.²

The acquisition is subject to the merger control provisions of the Enterprise Act 2002, and, in accordance with the Concordat between Ofgem and the Office of Fair Trading, Ofgem will advise the Office of Fair Trading on whether the proposed acquisition could give rise to competition concerns.

Ofgem will take into account information and views from interested parties in preparing its advice, and will forward any submissions to the Office of Fair Trading (interested parties may also contact the Office of Fair Trading directly). Submissions should be sent to Rochelle Ladd (rochelle.ladd@ofgem.gov.uk) and must be received by 5pm on Thursday 16 October 2003. Submissions will be placed on Ofgem's website (www.ofgem.gov.uk) unless respondents request otherwise.

¹ Information from SSE's news release(3 October 2003).

² Information from SSE website (<http://www.scottish-southern.co.uk/>)