

ARGENT·ST·GEORGE

Ms Joanna Whittington
Director of Strategy
OFGEM
9 Millbank
London SW1P 3GE

26 June 2002

Dear Ms Whittington

SEEBOARD and Electricité de France

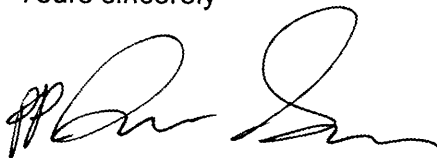
I understand from Andrew Walker that you are considering whether the proposed acquisition of SEEBOARD by Electricité de France (EDF) raises any competition issues which might merit consideration by the Competition Commission.

As Sean O'Hara and Andrew Walker already know, Argent St George Limited, for whom I am acting as a consultant, are the preferred developers of the King's Cross Central regeneration project. This very large scheme will eventually give rise to an electricity load of the order of 80MVA. The site may be fed in a number of ways including direct access from the 400kV National Grid lines in the Regents Canal towpath, which runs through the site, or a more conventional 132kV supply from the incumbent. We are also considering whether we should seek a licence from OFGEM to act as a Public Network Operator (PNO) within the site. If we were to obtain such a licence, we might well wish to employ an existing PNO to manage it on our behalf.

If the proposed acquisition of SEEBOARD were to take place, we would find ourselves in the uncomfortable position of having three of the four major PNOs in London and South East England under the effective control of EDF, with SEEBOARD as a subsidiary and Eastern as a partner of EDF in 24 Seven. This situation might significantly reduce competition in the regional market both for connection charges and for distribution facilities in general and would materially reduce the scope for Argent St George to arrange the most competitive means of supplying electricity to Kings Cross Central.

We would therefore much prefer this acquisition not to take place. If you would like to have any further information about King's Cross Central, please let me know.

Yours sincerely



J S Sadler

ARGENT ST GEORGE LIMITED

5 Albany Courtyard, Piccadilly, London W1J 0HF TELEPHONE +44 (0)20 7734 3721 FACSIMILE +44 (0)20 7734 4474 www.argentstgeorge.co.uk

REGISTERED OFFICE: 5 Albany Courtyard, Piccadilly, London W1J 0HF REGISTERED NO: 3965242