

Mr John Costyn
Ofgem
9 Millbank
London
SW1P 3GE

23rd August 2004.

Reference Fuel Mix Disclosure

Proposed supply license amendment

Dear Mr Costyn

Further to the above license conditions we would like to draw your attention to the following points that we have concerns about.

2.5 Promotional materials

We are concerned about the need to provide the labeling information in promotional material. We feel that this term is too broad and does not allow us to promote our brand effectively. Although Advertisements and billboards are excluded we believe that the exclusion should also apply to direct mail. With direct mail space is at a premium as with advertising and each part of the mailer must deliver a message. If a sizable percentage of the mailer was taken up with labeling this would be counter productive.

Another area of concern covered by this same point is use of email marketing. Again the space is very limited usually only one screen per email and once again the use of labeling in such a limited space is restrictive to the marketing message.

We suggest that promotional materials should be referred to as 'information sent to customers who have expressed an interest in the product'. Also that not every piece of promotional material should have this information as this will waste time, money and natural resources. Where an information pack is sent to the customers it shall be counted as one promotional piece and the labeling information should be contained within.

We would like the definition of promotional materials to exclude, bill-board, newspaper and magazine advertising, email marketing, direct mail and other promotional items.

The other areas of concern are: 2.12 & 2.13

The proposed mechanism can be supported as the split of ROCS, REGOs & LECS will encourage Renewables and offer choice for customers to choose from their Supplier whichever product they are prepared to pay for. For this to happen the need to externally monitor the trading of REGOs is a necessity.

All suppliers should start from the same base. To do otherwise would mean that there has been cross subsidy between generation and supply businesses from the same vertically integrated business.

This issue is further exacerbated where there is no external evidence of a REGO trade between the generator and the supply business of that company. We suggest that every supplier is given the overall GB fuel mix and is allowed to adjust this mix according to externally traded REGOs. The advantages of this system are a common base for all suppliers, which avoids cross subsidy between generation and supply. It also encourages the availability of REGOs from portfolios which have a high proportion of REGOs generation and allows suppliers to make choices as to the value brand of differentiation through amending their initial fuel mix.

As an independent low-cost supplier BizzEnergy strives to offer customers electricity at the lowest market price available. We also currently have a portfolio with over 20% from low emission sources. We are concerned that the new licensing condition will not allow us to demonstrate this to our customers.

Yours sincerely

Sussanne Chambers