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23 August 2004

Dear Mr Costyn

Subject: Fuel Mix Disclosure - Proposed Supply Licence Amendment

I am writing in response to your request for comments on the above proposals.

We are very concerned at the implications of the proposal to implement the fuel disclosure obligations of the Electricity Directive via a new mandatory condition in all supply licences because of the confusion it will cause customers supplied under our supply licence. This will arise because of the requirement to provide all our customers with information on Utility Link's overall fuel mix.

Utility Link Ltd provides services to new entrant suppliers. Rather than bear the considerable cost of obtaining their own licence and accreditation our clients are able to enter the market and supply electricity to their customers under our licence. Once a client has achieved a critical mass we help them to obtain their own licence and accreditation and assist them to grow further and become more established in the market place. When clients are operating under our supply licence their customers are generally not aware their supply is from Utility Link because customer contracts, bills, letters and any other information received by customers are branded as per the client. As far as the customers are concerned, our client is their supplier, not Utility Link Ltd.

We are building up a range of clients which supply electricity into various markets. Some clients could be supplying exclusively renewable electricity while others are supplying exclusively non renewable electricity (and hence meeting the Renewable Obligation through paying the "buyout price").

Utility Link's **overall** fuel mix is thus not relevant to customers of our clients and providing them with this data will simply mis-inform and confuse them. At worst it will lead to accusations by customers of mis-selling where, for example, they have contracted for renewable electricity but the fuel mix disclosure information states otherwise. The proposals thus need to be modified to allow our clients to declare only their own fuel mix.

The proposals should also be changed to allow small suppliers to be able to declare approximate fuel mix figures to avoid fuel mix disclosure being an unreasonable cost burden on our clients.

In summary, the present proposals create a barrier to growth for our clients thereby stifling competition for new entrant suppliers.

Please let me know should you require any clarification.

Yours sincerely

Alan Goodbrook Trading Director

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