

Mr K Shiels
Northern Ireland Authority for Energy Regulation
Brookmount Buildings
42 Fountain Street
Belfast
BT1 5EE

9 June 2005

Dear Kevin,

The Proposed Acquisition of East Surrey Holdings plc by Kellen Acquisitions Limited – Implications for Phoenix Natural Gas Limited

The Energy Saving Trust (EST) is the UK's leading organisation working through partnerships towards the sustainable and efficient use of energy by households, communities and the road transport sector. It is one of the key delivery agents for the UK Government's climate change objectives. We operate a number of programmes here including our Sustainable Energy Centre (which has subsumed our 2 Energy Efficiency Advice Centres). This response addresses one specific area in which we operate and should not be taken as representing the views of the individual members of EST.

EST believes that the continued expansion of the NI gas network, and the affordability of gas supplies, are vital to the reduction of carbon emissions and the alleviation of Fuel Poverty in NI. It is therefore important to consider the potential impacts of the proposed acquisition on these key objectives to avoid any adverse impacts.

Please contact me if you would like to discuss these issues in more detail.

Yours sincerely

Noel Williams
Head of EST Northern Ireland