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Press Release

BBC *Working Lunch* examines gas price rises

On 6th February 2006, David Casale, CEO of Utilita, appeared on Working Lunch, BBC Two's award winning, daily, business and consumer news programme.

As someone running one of the few independent, domestic, utilities suppliers to survive the recent dramatic increase in UK gas prices, David Casale sought to explain how a critical shortage of gas supplies to the UK arose from a failure by the regulators and government officials to grasp the simple situation driven by their blind faith shown in 'market forces'.

"We believe the escalation that we have seen in gas prices reflects a complete failure by energy regulators to meet its obligations to ensure a secure supply of energy to the shores of the UK," says Casale.

Small players like Utilita, who cannot 'hedge' their demand in the forward gas markets because their trading volumes are too small, are faced with huge risks. Using their greater financial capacity, the six largest suppliers have been able to delay price rises until a string of small independent utility providers that were offering keenly priced utilities have gone to the wall.

"This has left many customers out of pocket and has done nothing for consumers in the longer term. Prices have now risen across the board and are set to rise repeatedly this year. Meanwhile, Utilita is now the only truly small dual fuel domestic supply company left in the UK market with the prospects for any other new entry – a key indicator of competitiveness in this market place - looking close to zero."

ENDS

EDITORS NOTES

[1] Utilita is the first domestic energy supply company in the UK to offer an energy services contract requiring no an additional customer investment or contribution

[2] Customers can see all Utilita tariffs at www.utilita.co.uk or may contact Jim Garrett, on 0845 450 4117 jimgarrett@utilita.co.uk