

Neil Barnes  
Ofgem  
9 Millbank  
London SW1P 3GE

7 May 2009

Ref: 2709

Dear Neil,

### **Addressing undue discrimination - final proposals**

Age Concern and Help the Aged are pleased to comment on this consultation. However, this response will need to be considered in the light of our concerns expressed in our response to the initial consultation on this issue submitted in February 2009. We would like you to note that in the list of respondents to the February consultation given in this document, we were only referred to as Help the Aged instead of Age Concern and Help the Aged.

We did not think any of the proposals originally suggested by Ofgem met our main concerns. These were:- there should only be cost reflective pricing between payment methods; in area customers should not pay more than out of area customers on the same tariff unless this can be justified; that the licence condition should not lead to lack of clarity or certainty since this is likely to disadvantage consumers; that cost reflective pricing should not encourage suppliers to include costs arising from inefficiencies. In addition, in view of what we consider to be undue delay in dealing with this issue, we want to minimise the time it will take to implement the new licence conditions.

We think the proposals in the current document that Option A, a requirement for any difference in payment options to be cost reflective and Option B a prohibition of undue discrimination in any terms and conditions offered to customers should be made licence conditions are much more likely to meet our main concerns. We therefore support this proposal. However, we welcome the fact that social tariffs will be exempted from these conditions and that Ofgem will not pursue discrepancies in pricing where this has resulted in a lower charge for pre payment meters than is warranted on a cost reflective basis.

We also agree with the proposals for cost allocation with regard to cost reflectivity and those for materiality considerations. We particularly welcome what we consider to be a better explanation of the considerations Ofgem will take into account in deciding to take action that

avoid the use of the subjective words 'substantial, extensive and persistent' and trust these will not appear in the guidelines when they are finalised.

Yours sincerely

A handwritten signature in black ink that reads "Gretel Jones". The script is cursive and fluid, with the first name "Gretel" and the last name "Jones" written in a single continuous line.

Gretel Jones  
Consumer Policy Adviser