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By email to: Retailpriceregulation@ofgem.gov.uk

Dear Leonardo

Price Cap - Consultation on reflecting prepayment End User Categories in the default tariff cap¹

Centrica welcomes the opportunity to respond to the above consultation which follows Ofgem's earlier open letter on this subject.²

We have few substantive comments on Ofgem's proposals, save to note the following:

- The proposals are specific to prepayment and that the introduction of PPM specific quarterly shares of gas demand will not impact the cap level for other payment methods.³
- The application of PPM specific load factors to network charge allowances and uplifted unidentified gas (UIG) for PPM from cap period eight onwards work in opposite directions. The figures Ofgem cites for cap period 7 are purely illustrative, given no retrospective application to period 7 allowances is proposed⁴ and the materiality of future impacts will vary depend on the evolution of network costs and wholesale costs respectively.⁵
- While gas shaping allowances are also impacted by the new EUCs, these are being considered separately as part of the 'Reviewing the potential impact of increased wholesale volatility on the default tariff cap' consultation.⁶

Yours sincerely

¹ [Price Cap - Consultation on reflecting prepayment End User Categories in the default tariff cap | Ofgem](#)

² [Default Tariff Cap – Industry change related to gas End User Categories | Ofgem](#)

³ Consultation document, paragraph 3.16

⁴ Consultation document, paragraph 3.27

⁵ Consultation document, paragraphs 3.11 and 3.22

⁶ Consultation document, paragraph 3.25

Don Wilson
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