

Ofgem
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Email: priceprotectionpolicy@ofgem.gov.uk

Date: 14 August 2025

“Consultation on the Unidentified Gas allowance in the default tariff cap” – So Energy
Response

Dear Colleague,

So Energy is a leading energy supplier providing great value renewable electricity to homes across Great Britain. We supply over 300,000 customers and as one of the last challenger suppliers left in the market and one that is backed by ESB Group’s resources and expertise, So Energy is able to provide a unique view of price protection in today’s energy market.

We welcome Ofgem’s proposal to provide a temporary adjustment in the price cap to account for additional UIG costs borne by suppliers. We also welcome Ofgem’s commitment to review UIG on an enduring basis as part of their 2025-26 price cap programme of work. While the temporary adjustment closes the gap somewhat between what the price cap provides and the actual costs borne by suppliers, a substantial funding gap remains. An enduring review is necessary.

As we have set out to you in the data and analysis we have provided bilaterally, the additional 1% adjustment does not even go halfway to covering the actual cost of UIG. One key reason for this is that the proposal is based on product class 3 and 4 meters for a domestic customer. To be moved to product class 3, one must accept a smart meter and SVT customers have lagged non-capped customers in accepting smart meters. Therefore, it would be more appropriate to use product class 4 only when calculating the UIG allowance.

We’d be more than happy to discuss this with you further. Please don’t hesitate to get in touch.

Yours Sincerely,

Paul Fuller
Head of Regulation

The logo for SO ENERGY, featuring the letters 'SO' in a large, bold, sans-serif font, with the word 'ENERGY' in a smaller, bold, sans-serif font directly underneath.