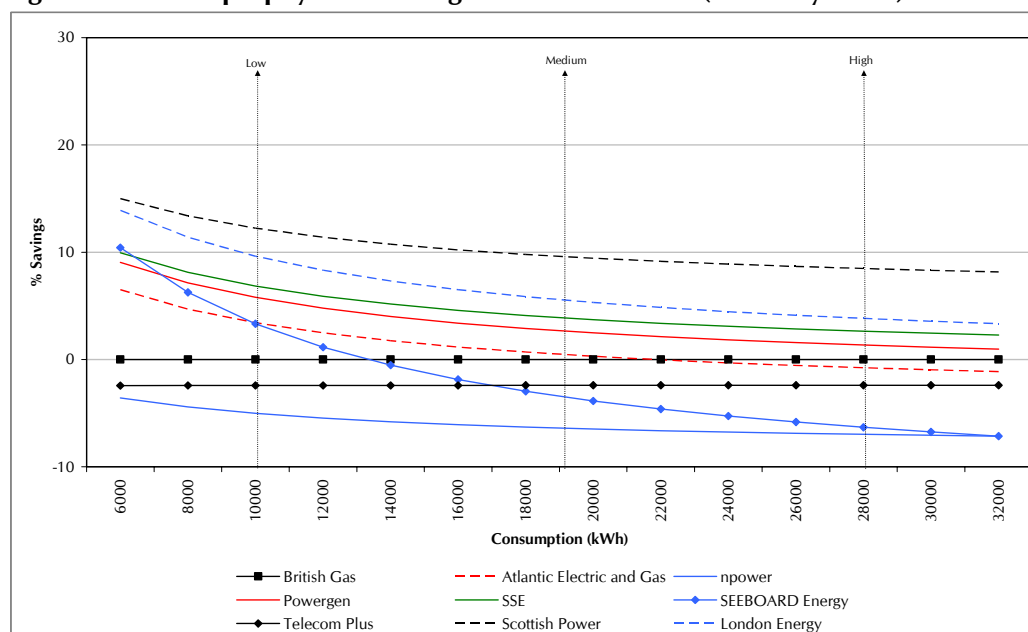


Appendix 20 (Addendum)

1.1 This Appendix provides:

- ◆ a correction to Figure 4.25 on page 122 of the DCMR. Note that the analysis in paragraphs 4.120 – 4.121 remains unchanged.
- ◆ an illustration of gas prepayment price trends.

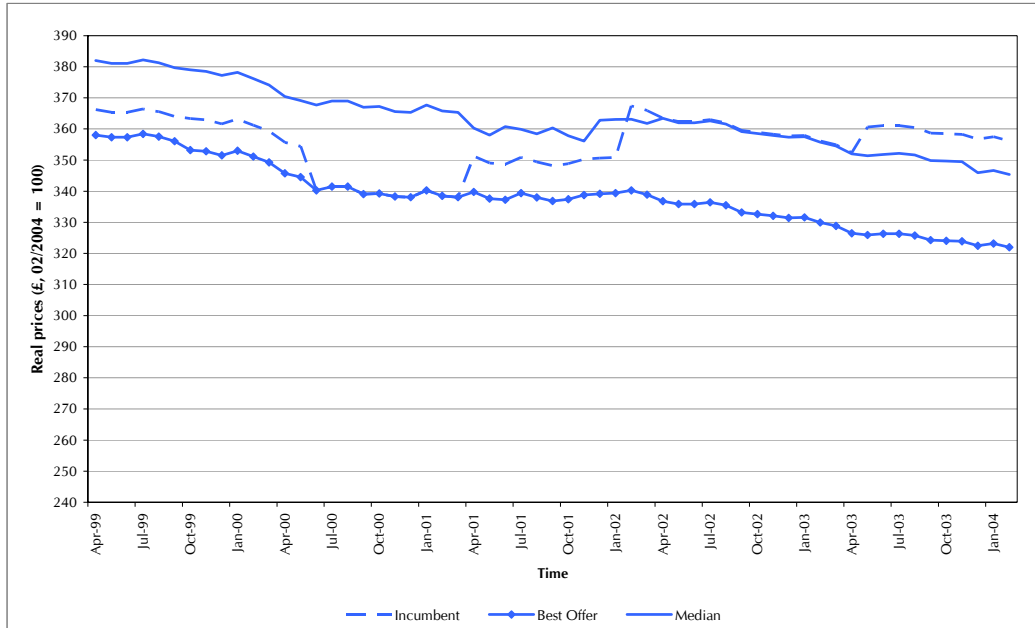
Figure 4.25: Gas prepayment savings for Great Britain (February 2004)



Source: Ofgem

1.2 Figure A20.1 illustrates gas prepayment price trends. The trends illustrate how median price offers have been falling, while incumbent gas prices have been increasing (since 2000/01). The combined effect is that median price offers are now cheaper than the incumbent gas price. This suggests that prepayment customers are now more likely to be switching to cheaper prices than may have been the case in previous years. This pattern is similar to that found for electricity prepayment prices in Figure 4.22, where median prices have become increasingly competitive relative to the incumbent supplier.

Figure A20.1: Trends in incumbent, median and best gas prices, prepayment, medium consumption (April 1999 – December 2003)



Source: Ofgem