

## **Fuel Poverty Advisory Group Response to Gas Distribution Price Control Review Initial Consultation**

FPAG is pleased that there is explicit reference in paras. 2.21 to 2.24 to social issues. We very much welcome Ofgem's intention to consider whether anything more could be done to facilitate extensions to gas networks. We are clearly particularly concerned about communities where there is a high proportion of low income households.

At this stage we would just make 3 brief points:

Such gas network extensions can have a significant impact on fuel poverty. Work by DTI and Defra officials for FPAG has shown that if heating costs can be reduced to the levels of gas heating costs in non-gas areas [by the provision of gas or other means] then fuel poverty in non gas areas will be reduced by 75%.] Further information on this work can be provided by Peter Matejic of DTI.

The Government's Social and Environmental Guidelines will be relevant to any decision.

We clearly would not advocate extensions to isolated small communities far from the gas network. But in less extreme case account will need to be taken of the fact that many dwellings currently on gas were connected under different rules which treated new connections more favourably than is currently the case. This could affect decisions about the right current approach both for economic and equity reasons.

We look forward to discussing these issues with you.