

MONDAY 28 JULY 2008

BUSINESS AND ENTERPRISE SELECT COMMITTEE REPORT: ENERGY PRICES, FUEL POVERTY AND OFGEM

Energy regulator Ofgem welcomes the publication today (Monday) of the Business and Enterprise Select Committee report and it will study its recommendations carefully.

The report numbers among its chief areas of concern many elements currently under investigation in our energy supply market probe. The probe is taking a forensic look at the supply market and the relationship between retail and wholesale energy prices. The select committee's report will make an important contribution to the wide evidence base we are gathering.

Like the committee we remain vocal in our criticism of the indexation of gas prices to oil prices and in our support for stronger competition in Continental energy markets. These were key elements of our 2004 wholesale gas markets investigation and the European Commission's own sectoral review.

We share the committee's concern over the impact of rising prices on all customers and in particular those on low incomes and in fuel poverty. The committee's call for a fundamental Government re-think echoes with our own view that a sustainable and enduring solution to tackling fuel poverty lies in improved housing, energy efficiency and household incomes.

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Notes to Editors

Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. The Authority's functions are set out mainly in the Gas Act 1986, the Electricity Act 1989, the Competition Act 1998 and the Utilities Act 2000. In this note, the functions of the Authority under all the relevant Acts are, for simplicity, described as the functions of Ofgem.