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24 May 2012

Dear Lisa,

**Energy Affordability: Helping Develop Ofgem's Vulnerable Consumers' Strategy**

Wales & West Utilities Limited (WWU) is a licensed Gas Distribution Network (GDN) providing Gas Transportation services for all major shippers in the UK. We cover 1/6th of Great Britain and deliver to over 2.5 million supply points. WWU is the only Licensed Operator that focuses solely on Gas Distribution in Great Britain.

**Question 1: What should be the key factors or actions that we should consider incorporating in our Vulnerable Consumers' Strategy? How should the themes of our strategy be changed?**

We do not have a response to this question.

**Question 2: What can Ofgem do differently to help address affordability concerns?**

WWU feel that more can be done with the fuel poor allowance towards installing a gas supply to an eligible customer's property to address some of the affordability issues that are often preventing the GDN fuel poverty network extensions going ahead. In our experience, even if the mains and service costs are covered by the voucher, the eligibility criteria for fuel switch funding are different and customers may still have to pay all of or the majority of their heating system costs, hence why the connection does not always progress. We feel it would be more beneficial for these vulnerable customers to allow them to use any outstanding balance on the voucher (after the connection has been made) towards the heating system costs e.g. Service will cost £1400, max voucher value is £2,404, therefore balance of £1000 towards heating or insulation measures.

The qualifying criteria for ECO (replacing CERT an CESP) are unclear. However, if they follow the other government schemes, the household will need to be of low efficiency (F or G rated). WWU feel that this should not be mirrored in our scheme as it excludes some genuinely vulnerable customers.

True infills are still not funded by the voucher value. Mains and service costs can easily be £3,000 - £5,000 per property for a community of 50 houses 1km from the network. Being able to lever additional factors into the economic test would help these schemes to progress. However, where they are still uneconomical, there should be better support from partners offering alternative solutions.

In addition, the voucher funding could apply to communal heating systems (single supply to flats with one meter and communal boiler) as well as assistance to new build social housing.

24 hour gas escape number  
Rhif 24 awr os bydd nwy yn gollwng

**0800 111 999\***

\*calls will be recorded and may be monitored  
caiff galwadau eu recordio a gellir eu monitro



**Question 3: We welcome views on how Ofgem can help stakeholders with their contribution**

We do not have a response to this question.

Yours sincerely,

A handwritten signature in black ink that reads "Mark Oliver".

Mark Oliver  
Director of Business Services  
Wales & West Utilities