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Dear Sam,

**Open letter regarding Fuel Poor Network Extension Scheme: Update to the eligibility criteria due to changes to ECO**

Thank you for the opportunity to respond to your letter regarding the Fuel Poor Network Extension Scheme (FPNES): Update to the eligibility criteria due to changes to ECO. This response is made on behalf of National Grid Gas Distribution Limited (NGGDL) and can be published by Ofgem.

The Gas Distribution Network companies (GDNs), including NGGDL have responded to your letter via the Energy Networks Association. NGGDL contributed to this letter and fully supports all the points raised.

Whilst we understand Ofgem's desire to follow government's lead for definitions of fuel poverty, NGGDL do not believe Ofgem's proposal to remove of the LSOA qualification criteria from the FPNES is necessary. Removing this key criterion of the scheme would result in NGGDL failing to achieve its fuel poor targets in all four of its networks. Given the prominence that fuel poor connections have been given by Ofgem and the GDNs this could affect the reputations of both parties with politicians, consumer groups and fuel poverty charities.

For a change of this magnitude, NGGDL would expect a wider and more thorough consultation, coupled with the opportunity to re-forecast its fuel poor targets for the changed scope of the scheme (as was the case when the scheme was revised in April 2016). If this proposal is implemented we will be subject to targets that are not achievable and out of our control and as such we may need to re-assess our Fuel Poor commitments for the remainder of RIIO-GD1.

As mentioned in the collaborative GDN letter, we request that Ofgem withdraw the proposal made in the open letter of the 10th March and undertake engagement with the GDNs and other stakeholders to fully consider the impact of any proposed changes to the FPNES criteria, as well as the impacts to the RIIO-GD1 output commitments of the GDNs.

If you have any further questions please do not hesitate to contact me using the details at the top of this letter.

Yours sincerely

*Pete Averill*

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Stakeholder Delivery Manager

**Securing our energy supply for future generations.**