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Promoting choice and  
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Date: 4 December 2009

Dear Maria

### **Welsh Fuel Poverty Charter**

I am writing to you as you are a main signatory to the Welsh Fuel Poverty Charter. Ofgem welcomes the Charter as a key initiative in tackling fuel poverty in Wales together with the opportunity to work with stakeholders to deliver its aims.

The Charter makes a number of calls on Ofgem and I think it would be useful for us to provide a brief view on each in turn and how we expect to progress them.

1. Put in place better safeguards for protecting the poor in Wales

*It is not within Ofgem's remit to put in place safeguards to protect the poor in Wales – this is a much wider issue and involves a range of factors including income and benefits. Where Ofgem takes a key role is in helping to address fuel poverty. Our approach to this is set out in our Social Action Strategy document published earlier this year and updated annually.*

<http://www.ofgem.gov.uk/Sustainability/SocAction/Documents1/SAS%202009.pdf>

2. Address the price differential in Wales

*Our Retail Market Probe identified a range of factors which led to price differences in Wales in particular that there is a higher than average level of pre-payment meter customers, a higher than average number of customers remaining with the incumbent supplier and a significant proportion of consumers off mains gas so not able to take advantage of dual fuel tariffs. In September 2009 we introduced new rules, through suppliers' licences, to address these issues and will be monitoring and reporting on their impact for Welsh consumers.*

3. Deliver information on social expenditure by energy companies to enable the Welsh Assembly Government to monitor what resources are available, encourage accountability by energy companies for where they spend their money and to expose gaps in expenditure.

*Ofgem publishes its Monitoring Suppliers' Social Obligations report annually. We will work with suppliers on the information available on social expenditure to explore whether a clearer picture of the situation in Wales can be provided.*

*We are encouraging energy suppliers to continue to work with DECC and the Energy Saving Trust (EST) to provide energy efficiency data to the HEED database (suppliers have entered a voluntary agreement with DECC and EST to supply this data to within a specified timescale). We evaluate supplier reporting requirements for CERT on an ongoing basis and consideration of the benefits of more detailed information to Ofgem, which could be included in our annual energy efficiency report, is part of this.*

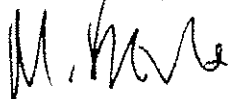
4. Clarify their role in helping to deliver the Welsh Assembly Government to deliver the Fuel poverty Strategy for Wales.

*We have noted the issues in Welsh Assembly Government's Fuel Poverty Strategy consultation (November 2009). Ofgem will continue to focus on the key commitments from its Fuel Poverty Summit, and progress them through its Social Action Strategy Review Group. Specifically, on energy prices Ofgem will monitor the impact of our retail market remedies to ensure that the intended benefits are realised for Welsh consumers and we will continue to report quarterly on the links between wholesale and retail prices.*

*We intend to have an ongoing and increasing dialogue with Welsh Assembly Government, and other stakeholders, as we progress these commitments. We will continue to be observers on the Welsh FPAG to provide our input to the priorities of the Group.*

I note there are no timescales in the Fuel Poverty Charter except those of Welsh Assembly Government targets on fuel poverty but Ofgem will work with stakeholders to help deliver particular initiatives to planned timescales.

Yours sincerely,



**Maxine Frerk**  
**Partner, Sustainable Development**