

Sustainability Committee

SC(3)-24-08 (p.3)

Letter to the Chair from E.ON: Further Evidence on Fuel Poverty in Wales

Dear Mick

Sustainability Committee Meeting of 23 October

Thank you for the opportunity to appear before the committee last month and your follow-up letter of 27 October.

I am pleased to answer all four questions.

Expenditure on Alleviating Fuel Poverty in Wales.

My apologies, it has taken some time to breakdown the spend on our social assistance programme to identify the amount spent in Wales. You will also appreciate that we have relatively few customers in Wales.

Nonetheless, the details for 2007/8 are:

	2007/8
StayWarm social - customers	1,896
StayWarm social - £	£718,000
Age Concern cold weather payments	£111,000
Hardship fund	£10,000
Total	£839,000

Proportionately to the number of customers we have in Wales, this is roughly twice our national average spend.

Staywarm Social Programme

The average support provided to a customer in Wales on our social programme is £380. This is a substantially higher level of support than provided by other suppliers' social programmes, as we have targeted our programme at those customers in greatest need - elderly, higher users, on benefits or with special needs. However, it would still not be enough to remove a single pensioner on minimum pension credit from fuel poverty.

Mandatory Social Tariff

The ineffectiveness of social tariffs in removing households from fuel poverty is one reason why we believe investment in energy efficiency is a much more effective use of resources. We also do not believe that a mandatory social tariff could be targeted effectively. Some of the households most at risk from fuel poverty, those off the gas network and heated by oil, LPG or coal, would not be reached. Moreover, requiring customers to opt-in could result in the most vulnerable not taking up the offer, whilst any automatic provision would be much easier, and fairer, through the benefits system.

Pricing Explanation

Thank you for the opportunity to expand on the explanation I gave at the Committee hearing. I attach a short briefing paper we have put together on the background and factors which feed into price changes.

Please do not hesitate to contact me if you need further information.

Yours sincerely

Graham Kirby