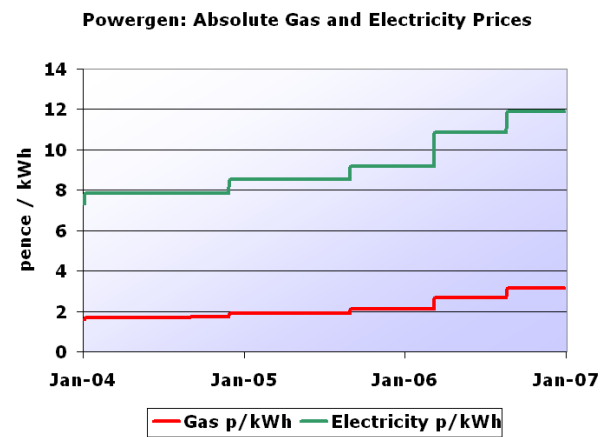


How to Shop Around for an Electricity Supplier

According to the figure below, gas prices and electricity prices are rising at an increasing rate. The figure shows average electricity prices from the company Powergen, one of the “Big 6” utility companies.



Though the plot only shows prices for Powergen, when one company increases their prices, the others usually follow in a relatively quick time period.

The worst way to pay for energy is through a non-contracted agreement, or tariff rate, with variable pricing for estimated units of electricity used. The best is a contract with a locked electricity rate for an agreed amount of time. Choosing the time period of the contract can be tricky because longer contracts will have a higher price per kilowatt hour (kWh) in an attempt to factor in the rising electricity prices. The most common advice is to go with the longer contract unless the price is significantly higher than the short-term rate.

There are two types of billing options for a contracted electricity agreement; these are debit and quarterly bills. Debit billing, usually the cheaper option, allows the energy user to pay a fixed rate every month,

while quarterly billing allows the user to pay a variable bill, bill dependent upon energy use, every quarter.

These billing statements include two types of fees, the price per unit and the standing price. The standing price is a charge per day and can vary based on the electricity company, but should not be the major factor in making a decision. The price per unit is how much an electricity company charges for a kWh. Since not all energy companies raise their prices at the same time, shopping around is very important.

Energy companies will allow separate pricing for electricity used during the day and electricity used at night, known as Economy 7 or Economy 10, provided the correct meter is installed. Generally, Economy 7 is most beneficial when less than 75% of the total electricity used in total is during the day. The typical hour for which Economy 7 starts is 21.00-6.00, 0.00-7.00 or 1.00-8.00, this depends on service area and energy provider. Be sure to ask an energy consultant about both Economy 7 and Economy 10 and whether it is right for you or not. For more information on Economy 7 please visit: <http://www.uswitch.com/gas-electricity/economy-7>

The best type of meter for Economy 7 pricing is a smart meter, which takes half-hourly or hourly readings. By the year 2020, all businesses will be required to have smart meters. Usually these are not free but can be paid for incrementally through the standing charge portion of an electricity bill. Since smart meters cost around £100, an increased standing charge of 30p a day will accumulate to a smart meter after one year. This smart meter will be purchased by the building owner and will belong to them, not the electricity company. The purchased meter can be used if the electricity company is changed, provided the new electricity company supports smart metering. Most of the “Big 6” electric companies support smart metering, be sure to ask upon calling. Most of these major electricity companies also do a combined gas and electricity bill. Be sure to ask if this lowers the price at which energy is purchased.

A list of the biggest electric companies has been provided below to facilitate comparative pricing.

Company Name	Phone Number
E.ON	0800 051 5517
Powergen	0800 051 0760
British Gas	0800 480 0202
EDF Energy	0845 366 3664
Scottish and Southern Energy	0808 156 0056
npower	0845 270 0926
Scottish Power	0800 980 2476

A list of impartial websites for advice on finding a cheaper company or energy saving advice is also provided.

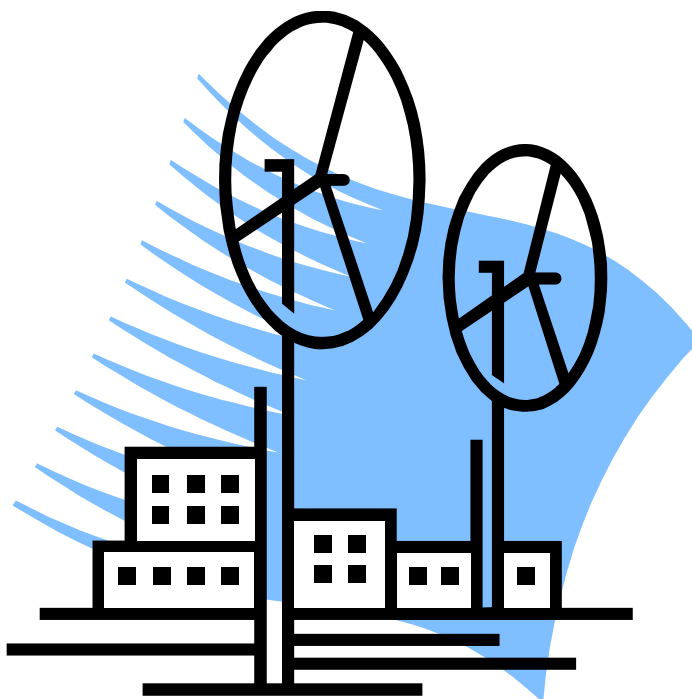
Consumer Focus: Energy Watch
http://www.energywatch.org.uk/
Surrey Business Link
http://www.businesslink.gov.uk/south_east.html
uSwitch (Comparing Website)
http://www.uswitch.com/electricity-gas/

After research on comparative prices has been done, a free energy consultant can be contacted. They will find the cheapest electricity available and use the prices you found to possibly find better deals.

Company Name	Phone Number
Business Advisory Service	0845 180 0700
Blue Mark Consultants	0800 987 5505
Quaestor Cost	0800 970 0432
uSwitch	0800 051 5492

The first step in saving money on your electric bill is making sure you have the best supplier for you.

This basic guide has been written in order to provide small businesses with a means to negotiate electricity prices.



Alternative formats

If you need this document in an alternative language/format, please contact the Communications Team on 01306 870624 or email communications@molevalley.gov.uk



Mole Valley District Council
Pippbrook
Dorking
RH4 1SJ

Tel: 01306 885001
Fax: 01306 876821

www.molevalley.gov.uk

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Finding the Right Utility Company

Save on energy bills by having the right supplier

