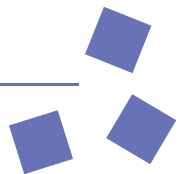


Tariff Comparability Models

Volume 2 - Appendices



October 2011

Tariff Comparability Models

Volume 2 - Appendices

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5 Appendices

5.1 Discussion Guide

NB: moderator to check recruitment details to establish key details of respondents including if anyone has electricity where they pay different rates during the day and the night – in England and Wales these are often known as Economy 7 or Economy 10. In Scotland they go under a number of different names including ‘white meter’, ‘comfort plus’, Total heat total control’, ‘weather call’. *Items in italics only apply to these respondents*

Respondents given handout and write names on first page.

Introductions

Moderator introduces the research and sets the ground rules:

- research is on behalf of Ofgem – the organisation that is responsible for protecting the interests of gas and electricity customers. The purpose of the research is to explore some ideas for trying to make it easier for consumers to find out and compare how much energy companies charge for gas and electricity so that we all can find the best deal to suit our needs
- we are going to look at some different ideas during the interview – there are no right or wrong answers and everyone’s views are important
- one of the key reasons for the research is to find ways effective ways of explaining how much a company is charging – if I show you some things that you don’t understand or you’re not sure about, please tell me. I’m especially interested in any words of terms that you are unclear to you. It is not a test of you or how much you know, it’s a test of how well these ideas have been explained.
- provide usual reassurances about anonymity and confidentiality
- explain discussions are being recorded
- ask for mobile phones to be turned off/switched to silent mode

Background

- Respondents briefly introduce themselves:
 - first names, family circumstances, what they do for a living
 - size of bills (do they know; how are they expressed, egg monthly) and whether they know how much energy they use [moderator to listen to terms/language used but not to prompt at this point]

NB: listen out for attitudes to switching but only follow up on these if they are relevant

Understanding of Terms

Moderator explains s/he briefly wants to look at some of the terms often used by energy companies when talking about the cost of energy.

- When I buy petrol it comes in litres and when I buy potatoes they come in pounds or kilos – what happens in the case of gas or electricity – what is energy measured in?
- Moderator displays the following terms (Slide 2):

tariff or plan	green tariff	online tariff	<i>day time/night time tariff or rate</i>
kilowatt hour (kWh)	unit rate (p/kWh)	tiered unit rate	standing charge (p/day)

- On their self-completion **handouts (Q1)**, respondents indicate against each term

- any they have not come across before
 - any they have come across but they are unsure what they mean – if someone asked them to explain it, they would find it difficult
 - any that they know the meaning of and could explain to someone else
- Brief discussion of the terms respondents feel they are familiar with to establish levels of comprehension.
 - Once terms have been discussed, moderator to check if respondents know what tariff they are on, whether there is a standing charge and what the unit rate is. Briefly explore how they know this (e.g. from bill/annual statement) or why they don't know this

Benchmark

- Moderator explains what happens at the moment by talking through **Slide 3**:
 1. A tariff is a combination of how much customers are charged for their energy, the method used to arrive at this charge, together with any other terms and conditions that might apply. For example, an online or paperless tariff means customers do not receive any bills in the post and provide meter readings via the supplier's website.
 2. Suppliers typically offer a number of different tariffs – some of these can be thought of as standard tariffs and some as non-standard. The majority of customers are on a standard tariff

3. With a standard tariff, the bill is calculated in one of two ways
 - a. **either:** a standing charge, usually expressed as a number of pence per day – you are charged this no matter how much energy you use - plus a unit rate, usually expressed as a number of pence per kilo watt hour
 - b. **or:** by using two different prices – a 1st tier price for the initial amount of energy the customer uses, and a cheaper 2nd tier price for the remaining amount; each supplier can decide how much energy has to be used before the lower rate comes into effect

3. *With a standard tariff, the bill is calculated in one of two ways*

- c. **either:** a standing charge, usually expressed as a number of pence per day – you are charged this no matter how much energy you use - plus a day time rate for electricity used during the day and a night time rate for electricity used during the night*
- d. **or:** by using a day time rate for electricity used during the day and a night time rate for electricity used during the night and by using two different prices – a 1st tier price for the initial amount of energy the customer uses, and a cheaper 2nd tier price for the remaining amount; each supplier can decide how much energy has to be used before the lower rate comes into effect*

NB there are no day time/night time rates for gas

4. Customers can choose to pay their bills in three main ways:
 - e. by cash or cheque every 3 months
 - f. by monthly direct debit
 - g. or by having a pre-payment meter
5. This means customers have 6 different standard tariffs that they can choose from
6. In addition, each supplier offers lots of different tariffs that I am going to call non-standard tariffs; examples include online tariffs, green tariffs, dual fuel and so on. Some suppliers may also offer fixed price or capped price tariffs. There is no limit on how many different

tariffs a supplier can offer and many of these might have 6 different versions depending on the method used to calculate the bill and the method of payment

NB: People on PPM are unlikely to have access to many of the non-standard tariffs

7. The same range of tariff options are available for gas (*except there are no day time/night time rates*)
 8. Ofgem estimates that there are currently more than 400 tariffs on offer
- Moderator asks if anyone has any questions – are there things they do not understand or which need further explanation?
 - if appropriate, moderator offers explanation
 - Brief discussion on what respondents have seen/been told:
 - how do they feel about this? are they pleased they are given lots of choices or does it make it difficult to work out which tariff is best for you?
 - Moderator displays **Slide 4** explains that the standard charge is usually expressed as 'pence per day'. It can also be expressed as 'pounds per month/quarter/year'. **In their handout (Q2)**, respondents circle the option they feel is clearest and most useful. Brief exploration of reasons behind preferences
 - Moderator explains **Slide 5** then asks:
 - for each of the two methods of calculating the bill, is it possible to work out which is the cheapest or most expensive tariffs? If respondents feel it is, they should circle what they think is the cheapest and most expensive tariffs **(Q3)**
 - if respondents have answered yes – explore how they decided which was cheapest/most expensive
 - is it possible to work out how much your own bill would be for any one tariff? **(Q4)**
 - what information would you need to work out how much your electricity bill would come to for each tariff?

NB: Before moving on, explain it is not possible to work out which is cheapest/most expensive; in the case of standing charge + unit rate the only way you can do this is by knowing what your consumption is over the course of, say, a month. In the case of the 2 tier method of charging, you would also need to know whether you had used enough units for the lower rate to come into effect. *E7 customers would also need to know their day time/night time split.*

Moderator explains we are now going to look at a number of ideas which are intended to make it easier for us, as customers, to work out the cost of different tariffs as well as to see which company offers the best deal. Moderator re-emphasizes we are here to 'test out' these new ideas so if there is anything respondents don't understand, please let her/him know.

Moderator explains that for the sake of simplicity we are going to focus on electricity only but exactly the same ideas would be used for gas. NB If respondents raise the issue of dual fuel at any point moderator will say we will look at that later.

OPTION C

- Moderator explains Slide 7
- Moderator explains Slide 8 and explores reactions:
 - likes/dislikes/advantages/disadvantages
 - how useful is it to see the typical costs shown on a monthly basis? – is this how they tend to think about their energy costs? [NB monthly costs can be difficult because these vary by time of year]
- then asks
 - is it possible to work out which is the most expensive standard tariff for a HIGH user? (Q5)
 - is it possible to work out which is most expensive non-standard tariff for a LOW user? (Q6)
- Moderator to note if any unprompted awareness that someone with a level of consumption that is higher/lower than the average might be misled by the information. Moderator then prompts:
 - imagine a customer who was using an amount of electricity that was either very low or very high or was somewhere between low/medium or medium high, would they still be able to use this table?
 - Moderator to explain that for most customers the table provides an approximate cost only; how do respondents feel about this?
- Moderator asks: if you were a Medium user and you were on Supplier 3's Standard tariff based on a two tier rate (highlighted on slide) and you came across a table like this, what would your reaction be?
 - ask unprompted first then if necessary ask if they would think about switching and, if so, to which Supplier/tariff?
 - if no, why is this?
- Moderator explains Slide 9 and explores whether it is better to show costs on an annual basis [NB more likely to give a better indicator as no seasonal fluctuations]
 - respondents indicate their preference (Q7)
- Moderator directs attention to a Medium user on Supplier 3's Standard tariff based on a two tier rate (highlighted on slide)
 - does seeing the difference if bills over the course of a year make respondents more likely to consider switching?
- Respondents individually sum up their views. Thinking about all the suggested changes compared to what happens at the moment:
 - what, if anything, do they particularly like/dislike about it
 - are there any ways in which the proposal could be improved/modified either to make it more appealing or to make it easier to understand
 - does it represent an improvement on what happens at the moment?

OPTION A

- Moderator explains **Slide 12** and explores the following reactions:
 - overall likes/dislikes; benefits/disadvantages
 - to Ofgem only allowing suppliers a single standard tariff (with 3 payment methods) [NB moderator to note if respondents appreciate this reduces the number of options to consider]; would respondents prefer to see both methods still being used? would they prefer to keep the two tier rate and drop the standing charge?

NB: important for moderator to establish if there are any objections to dropping the 2 tier rate for standard tariffs; if there are, you will need to get a response to Slide 13.

- to Ofgem setting the standing charge for all standard tariffs

NB: important to understand reasons behind responses – do respondents appreciate that by making all standing charges the same, it is possible to compare tariffs by looking at the unit rate or is it simply feeling a sense of reassurance that Ofgem is setting part of the charge

- to all non-standard tariffs being fixed term duration with fixed terms and conditions [NB standard and non-standard tariffs can all go up/down in price according to market conditions; the only exception would be a non-standard tariff which involves, as one of its T&C, a fixed or capped price]

NB: standard tariffs are indefinite and would only come to an end if the customer decided to switch to another tariff – this is what happens at the moment so it is not a change

- to the automatic roll-over to a standard tariff at the end of the term unless the customer decides to opt for another non-standard tariff; moderator to explore if respondents would like the option of making this decision earlier rather than waiting till the fixed term is up – this could be at any point from the start of the fixed term to the end. Reasons behind preferences explored
- **If respondents want to keep the 2 tier method of payment for standard tariffs**, moderator displays **Slide 13**, outlines the options and gets respondents to indicate their preference; brief exploration of reasons behind preferences
- Moderator explains **Slide 14** and explores reactions:
- likes/dislikes/advantages/disadvantages
 - is it possible to work out which is the cheapest or most expensive standard tariff? **(Q8)**
 - is it possible to work out which is the cheapest or most expensive non-standard tariff? **(Q9)**; if respondents think it is, explore how they arrived t their answer
 - is it possible to work out how much your bill would be for any one tariff?
- Moderator explains **Slide 15** and explores reactions:
 - likes/dislikes/advantages/disadvantages
 - is it possible to work out which is the cheapest standard tariff for someone who is a low user of electricity? **(Q10)**
 - is it possible to work out which is the most expensive non-standard tariff for someone who is a high user of electricity? **(Q11)**
- Moderator to note if any unprompted awareness that someone with a level of consumption that is higher/lower than the average, s/he might be misled by the information. [*In the case of E7 customers, if a customer uses more/less than the average*]

proportion of day time energy, this would result in a further discrepancy between the table and the customer's actual situation] Moderator then prompts:

- imagine a customer who was using an amount of electricity that was either very low or very high, [*or who uses more electricity during the day compared to the night*]; would they still be able to use this table?
- Moderator to explain that for most customers the table provides an approximate unit cost only; how do respondents feel about this?
- Moderator asks: if you were a High user and you were on Supplier 3's Standard tariff (highlighted on slide) and you came across a table like this, what would your reaction be?
 - ask unprompted first then if necessary ask if they would think about switching and, if so, to which Supplier/tariff?
 - if no, why is this?
- Moderator explains Slide 16 and explores reactions:
 - likes/dislikes/advantages/disadvantages of displaying unit rates vs. cost per month
- Moderator directs attention to a High user on Supplier 3's Standard tariff (highlighted on slide)
 - does seeing the monthly cost make respondents more likely to consider switching compared to the unit rate? Why is this?
- On their handouts (Q12), respondents indicate which method of displaying the tariff information they find most helpful – unit charge (Slide 15) or monthly cost (Slide 16)
- Respondents individually sum up their views. Thinking about all the suggested changes compared to what happens at the moment:
 - what, if anything, do they particularly like/dislike about it
 - are there any ways in which the proposal could be improved/modified either to make it more appealing or to make it easier to understand
 - does it represent an improvement on what happens at the moment?

OPTION B

- Moderator explains **Slide 19** and explores the following reactions:
 - overall likes/dislikes; benefits/disadvantages
 - to Ofgem only allowing suppliers a single standard tariff (with 3 payment methods) [NB moderator to note if respondents appreciate this reduces the number of options to consider]; would respondents prefer to see both methods still being used? would they prefer to keep the two tier rate and drop the standing charge?

NB: important for moderator to establish if there are any objections to dropping the 2 tier rate for standard tariffs; if there are, you will need to get a response to Slide 19a.

- to all non-standard tariffs being fixed term duration with fixed terms and conditions [NB standard and non-standard tariffs can all go up/down in price according to market conditions; the only exception would be a non-standard tariff which involves, as one of its T&C, a fixed or capped price]

NB: standard tariffs are indefinite and would only come to an end if the customer decided to switch to another tariff – this is what happens at the moment so it is not a change

- to the automatic roll-over to a standard tariff at the end of the term unless the customer decides to opt for another non-standard tariff; moderator to explore if respondents would like the option of making this decision earlier rather than waiting till the fixed term is up – this could be at any point from the start of the fixed term to the end. Reasons behind preferences explored
- **If respondents want to keep the 2 tier method of payment for standard tariffs,** moderator displays **Slide 19a**, outlines the options and gets respondents to indicate their preference; brief exploration of reasons behind preferences
- Moderator explains **Slide 20** and explores reactions:
- likes/dislikes/advantages/disadvantages
 - is it possible to work out which is the cheapest or most expensive standard tariff? **(Q8)**
 - is it possible to work out which is the cheapest or most expensive non-standard tariff? **(Q9)**
 - if they think it is, check how they decided which was cheapest/most expensive
 - is it possible to work out how much your bill would be for any one tariff?
- Moderator explains **Slide 21** and explores reactions:
- likes/dislikes/advantages/disadvantages
 - is it possible to work out which is the cheapest tariff for someone who is a low user of electricity? **(Q10)**
 - is it possible to work out which is the most expensive tariff for someone who is a high user of electricity? **(Q11)**
- Moderator to note if any unprompted awareness that someone with a level of consumption that is higher/lower than the average, s/he might be misled by the information. *[In the case of E7 customers, if a customer uses more/less than the average proportion of day time energy, this would result in a further discrepancy between the table and the customer's actual situation]* Moderator then prompts:

- imagine a customer who was using an amount of electricity that was either very low or very high, [*or who uses more electricity during the day compared to the night*]; would they still be able to use this table?
- Moderator to explain that for most customers the table provides an approximate unit cost only; how do respondents feel about this?

- Moderator asks: if you were a Low user and you were on Supplier 3's Standard tariff (highlighted on slide) and you came across a table like this, what would your reaction be?
 - ask unprompted first then if necessary ask if they would think about switching and, if so, to which Supplier/tariff?
 - if no, why is this?
- Respondents individually sum up their views. Thinking about all the suggested changes compared to what happens at the moment:
 - what, if anything, do they particularly like/dislike about it
 - are there any ways in which the proposal could be improved/modified either to make it more appealing or to make it easier to understand
 - does it represent an improvement on what happens at the moment?

OPTION D

- Moderator explains **Slide 23** focusing on how this differs from Options A/B:
 - overall likes/dislikes; benefits/disadvantages
 - customers who prefer a standard tariff can choose to add on a number of extra features
 - **Moderator explains** Ofgem decides how many features suppliers would be allowed to offer as well as the features themselves – what's their reaction?
- Moderator explains **Slide 24** and explores reactions;
 - likes/dislikes/advantages/disadvantages
- then asks
 - if I had opted for Supplier 3's standard tariff how much more or less per month would it cost me if I wanted a Green tariff and paperless billing? [+ £1.60] **(Q13)**
- Moderator to note if any unprompted awareness that someone with a level of consumption that is higher/lower than the average, s/he might be misled by the information. Moderator then prompts:
 - imagine a customer who was using an amount of electricity that was either very low or very high, would they still be able to use this table?
 - Moderator to explain that for most customers the table provides an approximate monthly cost only; how do respondents feel about this?
- If this approach was adopted where you could choose a standard tariff and add on extra features which different features would you want to be able to choose from? Are there any features not shown here that you would like?
- What do you consider to be the maximum number of features that should be available? If respondents think all possible features should be available, explore their views on whether this would make it difficult to present them clearly to customers.
- Respondents individually sum up their views. Thinking about all the suggested changes compared to what happens at the moment:
 - what, if anything, do they particularly like/dislike about it
 - are there any ways in which the proposal could be improved/modified either to make it more appealing or to make it easier to understand
 - does it represent an improvement on what happens at the moment?

Summing Up

- Moderator explores the significance of a dual fuel tariff: **NB** not relevant to respondents on PPM or E7 tariffs
 - is this something respondents currently have or would want? Why is this?
 - how would they feel if dual fuel tariffs were to be withdrawn and replaced with gas-only and electricity-only tariffs?
 - for those opposed to this idea: what would have to be offered to you so you would accept the loss of a dual fuel option?
 - if a dual fuel option was not available, what impact might it have on whether or not respondents shop around?
- Moderator displays **Slide 27** and briefly re-caps the 5 options (including keeping things as they are); on **handout (Q14)**, respondents score each option as

✓✓	✓	??	x	xx
really like this	am happy with this	not sure about this	not happy with this	really unhappy about this

- Moderator asks respondents to sum up their views on each of the options including 'leaving things as they are'
 - what they like/dislike – what benefits or advantages do their preferred options offer?
 - what impact, if any, would it have on whether or not they thought about switching supplier
- Focusing on those options with one or two ticks: how, if at all, could these be improved?
- Can respondents suggest any other changes or improvements - including a totally different approach to the ones we have looked at - they would like to see being introduced
- At the moment, suppliers can increase their energy costs whenever they feel it is appropriate to do so with one month's notice. What difference, if any, would it make in terms of whether you would consider switching if suppliers were required to give a guarantee that if you switched, the price of the new contract could not be changed for a set period. Respondents complete handout before discussing their views. **(Q15a-c)**
 - 1 month/3 months/6 months
 - why would/wouldn't this make a difference?
 - what is the minimum period you would need the price guarantee to cover before you would consider switching?
 -

Thank and close

5.2 Respondent Handouts

Four versions of the handout were used as shown below:

- Customers not on day time/night time tariffs who saw Options C, A and D
- Customers not on day time/night time tariffs who saw Options C, B and D
- Customers on day time/night time tariffs who saw Options C, A and D
- Customers on day time/night time tariffs who saw Options C, B and D

We have not provided copies of the handouts used with customers on day time/night time tariffs. These were identical to the handouts used with customers who were not on this tariff type except that the tables of tariff pricing information were different. Copies of these tables can be found in the stimulus materials used with these respondents (see section 5.3.2).

5.2.1 Customers not on day time/night time tariffs (CAD)

Q1 X = not come across this before
 ? = come across it but unsure what it means
 ✓ = know what it means and could explain it to someone else

Tariff		
Green tariff		
Online tariff		
kilowatt hour (kWh)		
unit rate (p/kWh)		
tiered unit rate		
standing charge (p/day)		

Q2 The standing charge can be shown in a number of different ways. When it comes to thinking about how much you are being charged for your energy, which of the following is more helpful?
Tick all that apply

pence per day	e.g. 22.55p/day	<input type="checkbox"/>
pounds per month	e.g. £6.86/month	<input type="checkbox"/>
pounds per quarter	e.g. £20.58/quarter	<input type="checkbox"/>
pounds per year	e.g. £82.32/year	<input type="checkbox"/>

Supplier	Tariff		Standing charge (£ per month)	Unit rate (p/kWh)
Supplier 1	Standard		7.77	13.71
Supplier 2	Standard		6.15	16.24
Supplier 3	Standard		10.72	15.97
Supplier 4	Standard		1.22	15.88
Supplier 1	Online		7.77	12.71
Supplier 2	Green		6.15	16.24
Supplier 3	Online		10.72	12.50
Supplier 4	Loyalty		1.22	14.88
Supplier	Tariff	1 st Tier level (kWh)	1 st Tier rate (p/kWh)	2 nd Tier rate (p/kWh)
Supplier 1	Standard	450	20.72	15.87
Supplier 2	Standard	350	21.08	18.17
Supplier 3	Standard	450	28.59	18.49
Supplier 4	Standard	400	3.65	18.07
Supplier 1	Online	450	20.72	14.72
Supplier 2	Green	350	21.08	18.17
Supplier 3	Online	450	28.59	14.47
Supplier 4	Online	400	3.65	16.93

Q3 Is it possible to work out from the table which is the cheapest and which is the most expensive tariff?

Yes	<input type="checkbox"/>	Please circle the cheapest and the most expensive tariff
No	<input type="checkbox"/>	
Not sure	<input type="checkbox"/>	

Q4 Is it possible to work out from the table how much your own bill would come to for any one tariff?

Yes	<input type="checkbox"/>	
No	<input type="checkbox"/>	
Not sure	<input type="checkbox"/>	

OPTION C

Supplier	Tariff		Standing charge (£ per month)	Unit rate (p/kWh)	Monthly cost (£ per month)		
					LOW	MED	HIGH
Supplier 1	Standard		7.77	13.71	31.80	45.50	66.00
Supplier 2	Standard		6.15	16.24	34.60	50.80	75.20
Supplier 3	Standard		10.72	15.97	38.70	54.60	78.60
Supplier 4	Standard		1.22	15.88	29.00	44.90	68.70
Supplier 1	Online		7.77	12.71	30.00	42.70	61.80
Supplier 2	Green		6.15	16.24	34.60	50.80	75.20
Supplier 3	Online		10.72	12.50	32.60	45.10	63.80
Supplier 4	Fixed		1.22	14.88	27.30	42.10	64.50
Supplier	Tariff	1 st Tier level (kWh)	1 st Tier rate (p/kWh)	2 nd Tier rate (p/kWh)	Monthly cost (£ per month)		
					LOW	MED	HIGH
Supplier 1	Standard	450	20.72	15.87	29.60	45.50	69.30
Supplier 2	Standard	350	21.08	18.17	32.60	50.80	78.10
Supplier 3	Standard	450	28.59	18.49	36.10	54.60	82.40
Supplier 4	Standard	400	3.65	18.07	26.80	44.90	72.00
Supplier 1	Online	450	20.72	14.72	28.00	42.70	64.80
Supplier 2	Green	350	21.08	18.17	32.60	50.80	78.10
Supplier 3	Online	450	28.59	14.47	30.60	45.10	66.80
Supplier 4	Fixed	400	3.65	16.93	25.20	42.10	67.50

Q5 Is it possible to work out from the table which is the most expensive STANDARD tariff for a HIGH user?

Yes.....	<input type="checkbox"/>	Please circle the most expensive tariff
No	<input type="checkbox"/>	
Not sure	<input type="checkbox"/>	

Q6 Is it possible to work out from the table which is the cheapest NON-STANDARD tariff for a LOW user?

Yes.....	<input type="checkbox"/>	Please circle the cheapest tariff
No	<input type="checkbox"/>	
Not sure	<input type="checkbox"/>	

Q7 Which way of showing the information makes it easiest to decide which tariffs are best for you

to show the MONTHLY COST e.g. £30.01 per month.....	<input type="checkbox"/>
to show the ANNUAL COST e.g. £360.13 per year	<input type="checkbox"/>
Not sure	<input type="checkbox"/>

OPTION A

One way of displaying the information so that the tariffs are easy to compare is to show what the **UNIT CHARGE** would be if every tariff was based on the same standing charge of **£3.51 per month**

Q8 Is it possible to work out from the table above which is the cheapest or the most expensive STANDARD tariff?

Yes	<input type="checkbox"/>	Please circle the cheapest and the most expensive tariff
No.....	<input type="checkbox"/>	
Not sure.....	<input type="checkbox"/>	

Q9 Is it possible to work out from the table which is the cheapest or the most expensive NON-STANDARD tariff?

Yes	<input type="checkbox"/>	Please circle the cheapest and the most expensive tariff
No.....	<input type="checkbox"/>	
Not sure.....	<input type="checkbox"/>	

Supplier	Tariff	Standing charge (£ per month)	Unit charge (p/kWh)	standard tariff equivalent (p/kWh)		
				LOW	MED	HIGH
Supplier 1	Standard	3.51	14.92	14.90	14.90	14.90
Supplier 2	Standard	3.51	17.58	17.60	17.60	17.60
Supplier 3	Standard	3.51	17.61	17.60	17.60	17.60
Supplier 4	Standard	3.51	13.87	13.90	13.90	13.90
Supplier 1	Online	6.15	17.58	19.10	18.50	18.20
Supplier 2	Online	4.76	17.61	18.30	18.00	17.90
Supplier 3	Online	1.22	18.44	17.10	17.60	17.90
Supplier 4	Fixed	1.22	17.20	15.90	16.40	16.70
Supplier 3	Online	1.22	18.44	17.10	17.60	17.90
Supplier 4	Fixed	1.22	17.20	15.90	16.40	16.70

Q10 Is it possible to work out from the table above which is the cheapest STANDARD tariff for a LOW user?

Yes	<input type="checkbox"/>	Please circle the most expensive tariff
No.....	<input type="checkbox"/>	
Not sure.....	<input type="checkbox"/>	

Q11 Is it possible to work out from the table above which is the most expensive NON-STANDARD tariff for a HIGH user?

Yes	<input type="checkbox"/>	Please circle the most expensive tariff
No.....	<input type="checkbox"/>	
Not sure.....	<input type="checkbox"/>	

Q12 Which way of showing the information makes it easiest to compare tariffs?

to show the UNIT CHARGE e.g. 14.92p/kwh	<input type="checkbox"/>
to show the MONTHLY COST e.g. £29.62/month.....	<input type="checkbox"/>

	Not sure.....	<input type="checkbox"/>
--	---------------	--------------------------

OPTION D

Supplier	Tariff	Monthly charge (£)	Paperless billing (£)	Boiler maintenance (£)	Green option (£)
Supplier 1	Standard	37.51	-£3.80	+£8.40	+£7.00
Supplier 2	Standard	40.28	-£2.80	+£5.10	+£4.40
Supplier 3	Standard	44.43	-£4.00	+£8.80	+£5.60
Supplier 4	Standard	44.63	-£2.80	+£6.00	+£4.00
Supplier 1	Fixed – 2 years	45.11	✓	✓	
Supplier 2	Fixed – 1 year	46.68			✓
Supplier 3	Fixed – 1 year	46.97		✓	
Supplier 4	Fixed – 2 years	48.20			✓

Q13	If I had opted for Supplier 3's standard tariff how much more or less per month would it cost me if I wanted a Green tariff and paperless billing?	
------------	---	--

SUMMING UP

Q14 For each of the 5 options listed below please indicate how you feel about them:

- ✓✓ = I really like this idea
- ✓ = I am happy with this idea
- ?? = I am unsure of this idea
- x = I am unhappy with this idea
- xx = I am really unhappy with this idea

Leave things as they are		
Option A		
Option C		
Option D		

At the moment, suppliers can increase their energy costs whenever they feel it is appropriate to do so giving customers one month's notice. What difference, if any, would it make in terms of whether you would consider switching if suppliers were required to give a guarantee that if you switched, the price of the new contract could not be changed for a set period.

Q15a	If prices could not change <u>for at least 1 month</u> (+ 1 month's notice) this would:	
	make me much more likely to consider switching to a new supplier or tariff	<input type="checkbox"/>
	make me somewhat more likely to consider switching to a new supplier or tariff	<input type="checkbox"/>
	make no real difference to what I do	<input type="checkbox"/>
	make me somewhat less likely to consider switching to a new supplier or tariff.....	<input type="checkbox"/>
	make me much less likely to consider switching to a new supplier or tariff	<input type="checkbox"/>
	Not sure	<input type="checkbox"/>
Q15b	If prices could not change <u>for at least 3 months</u> (+ 1 month's notice) this would:	
	make me much more likely to consider switching to a new supplier or tariff	<input type="checkbox"/>
	make me somewhat more likely to consider switching to a new supplier or tariff	<input type="checkbox"/>
	make no real difference to what I do	<input type="checkbox"/>
	make me somewhat less likely to consider switching to a new supplier or tariff.....	<input type="checkbox"/>
	make me much less likely to consider switching to a new supplier or tariff	<input type="checkbox"/>
	Not sure	<input type="checkbox"/>
Q15c	If prices could not change <u>for at least 6 months</u> (+ 1 month's notice) this would:	
	make me much more likely to consider switching to a new supplier or tariff	<input type="checkbox"/>
	make me somewhat more likely to consider switching to a new supplier or tariff	<input type="checkbox"/>
	make no real difference to what I do	<input type="checkbox"/>
	make me somewhat less likely to consider switching to a new supplier or tariff.....	<input type="checkbox"/>
	make me much less likely to consider switching to a new supplier or tariff	<input type="checkbox"/>
	Not sure	<input type="checkbox"/>

5.2.2 Customers not on day time/night time tariffs (CBD)

The handout was identical to that shown above except Option A was replaced with Option B.

OPTION B

Supplier	Tariff	Standing charge (£ per month)	Unit charge (p/kWh)
Supplier 1	Standard	7.77	13.71
Supplier 2	Standard	6.15	16.24
Supplier 3	Standard	10.72	12.42
Supplier 4	Standard	7.77	12.71
Supplier 1	Online	6.15	16.24
Supplier 2	Green	4.70	16.27
Supplier 3	Online	1.22	14.88
Supplier 4	Fixed	1.22	15.88

Q8 Is it possible to work out from the table above which is the cheapest or the most expensive STANDARD tariff?

Yes	<input type="checkbox"/>	Please circle the cheapest and the most expensive tariff
No	<input type="checkbox"/>	
Not sure	<input type="checkbox"/>	

Q9 Is it possible to work out from the table which is the cheapest or the most expensive NON-STANDARD tariff?

Yes	<input type="checkbox"/>	Please circle the cheapest and the most expensive tariff
No	<input type="checkbox"/>	
Not sure	<input type="checkbox"/>	

Supplier	Tariff	Standing charge (£ per month)	Unit charge (p/kWh)	Monthly cost (£ per month)		
				LOW	MED	HIGH
Supplier 1	Standard	7.77	13.71	31.80	45.50	66.00
Supplier 2	Standard	6.15	16.24	34.60	50.80	75.20
Supplier 3	Standard	10.72	12.42	32.50	44.90	63.50
Supplier 4	Standard	7.77	12.71	30.00	42.70	61.80
Supplier 1	Online	6.15	16.24	34.60	50.80	75.20
Supplier 2	Green	4.70	16.27	33.20	49.40	73.90
Supplier 3	Online	1.22	14.88	27.30	42.10	64.50
Supplier 4	Fixed	1.22	15.88	29.00	44.90	68.70

Q10 Is it possible to work out from the table above which is the cheapest tariff for someone who is a LOW user of electricity?

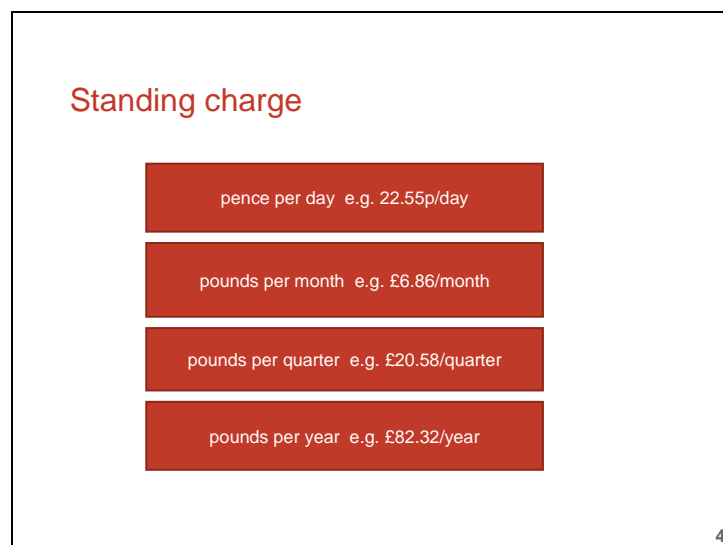
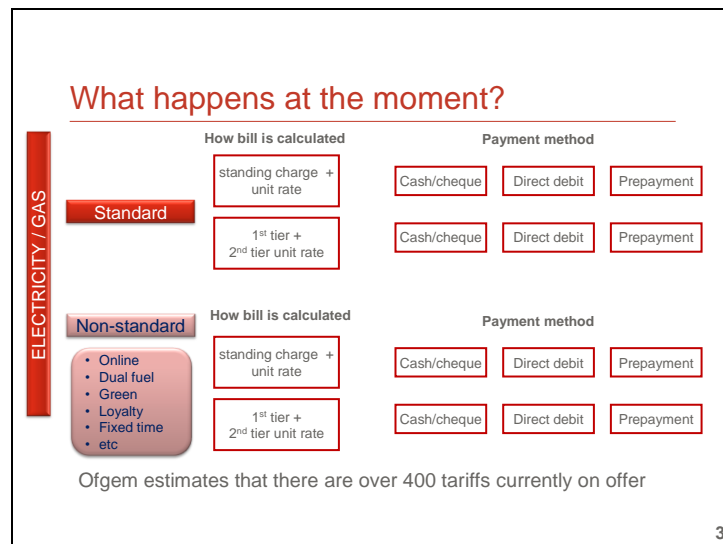
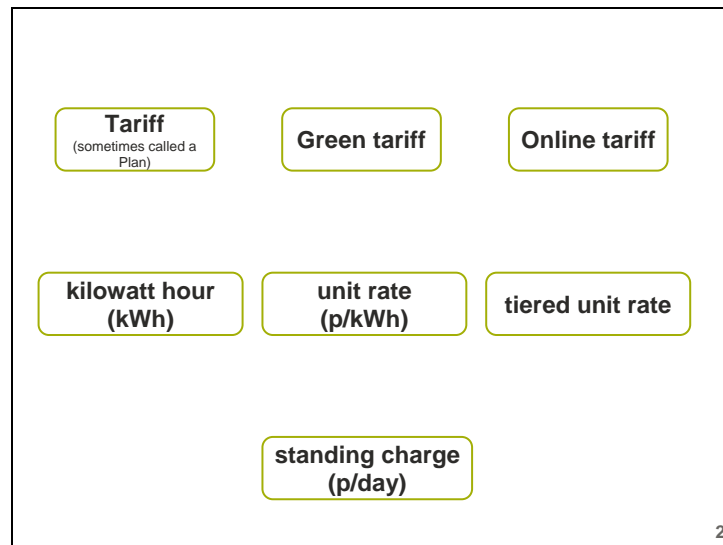
Yes	<input type="checkbox"/>	Please circle the cheapest tariff for a LOW user
No	<input type="checkbox"/>	
Not sure	<input type="checkbox"/>	

Q11 Is it possible to work out from the table above which is the most expensive tariff for someone who is a HIGH user of electricity?

Yes	<input type="checkbox"/>	Please circle the most expensive tariff for a HIGH user
No	<input type="checkbox"/>	
Not sure	<input type="checkbox"/>	

5.3 Stimulus Materials

5.3.1 Customers not on day time/night time tariffs



Supplier	Tariff	Standing charge (£ per month)	Unit rate (p/kWh)
Supplier 1	Standard	7.77	13.71
Supplier 2	Standard	6.15	16.24
Supplier 3	Standard	10.72	15.97
Supplier 4	Standard	1.22	15.88

Eg electricity, direct debit.

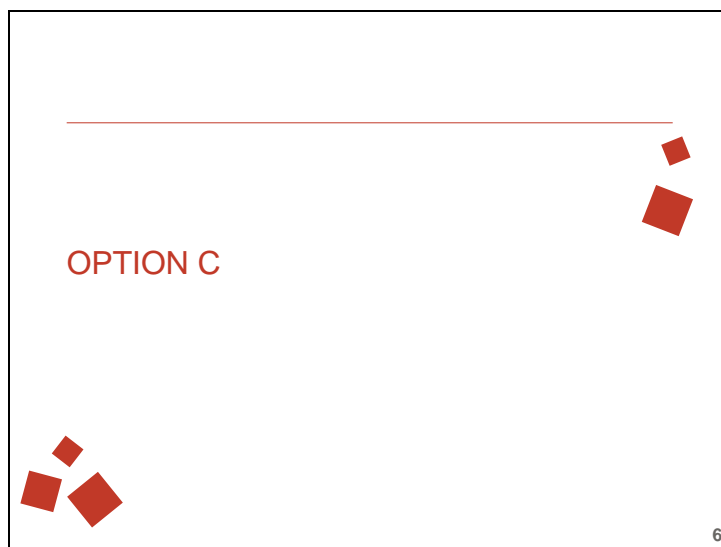
Tariffs with standing charge + unit rate.

Supplier	Tariff	1 st Tier level (kWh)	1 st Tier rate (p/kWh)	2 nd Tier rate (p/kWh)
Supplier 1	Standard	450	20.72	15.87
Supplier 2	Standard	350	21.08	18.17
Supplier 3	Standard	450	28.59	18.49
Supplier 4	Standard	400	3.65	18.07

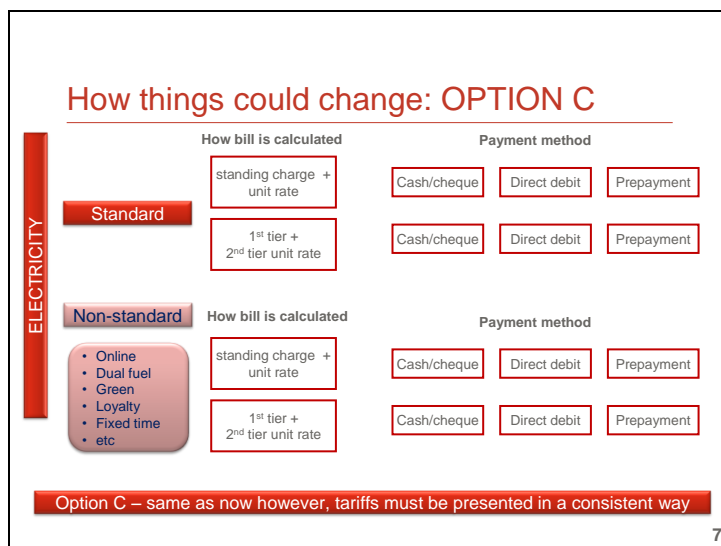
Tariffs with 1st and 2nd tier unit rates.

Supplier	Tariff	1 st Tier level (kWh)	1 st Tier rate (p/kWh)	2 nd Tier rate (p/kWh)
Supplier 1	Online	450	20.72	14.72
Supplier 2	Green	350	21.08	18.17
Supplier 3	Online	450	28.59	14.47
Supplier 4	Loyalty	400	3.65	16.93

5



6



7

Supplier	Tariff	Standing charge (£ per month)	Unit rate (p/kWh)	Monthly cost (£ per month)		
				LOW	MED	HIGH
Supplier 1	Standard	7.77	13.71	31.80	45.50	66.00
Supplier 2	Standard	6.15	16.24	34.60	50.80	75.20
Supplier 3	Standard	10.72	15.97	38.70	54.60	78.60
Supplier 4	Standard	1.22	15.88	29.00	44.90	68.70
Supplier 1	Online	7.77	12.71	30.00	42.70	61.80
Supplier 2	Green	6.15	16.24	34.60	50.80	75.20
Supplier 3	Online	10.72	12.50	32.60	45.10	63.80
Supplier 4	Fixed	1.22	14.88	27.30	42.10	64.50

OPTION C

Tariffs with standing charge + unit rate.

The MONTHLY COST of each tariff is based on low, average and high average usage.

Supplier	Tariff	1 st Tier level (kWh)	1 st Tier rate (p/kWh)	2 nd Tier rate (p/kWh)	Monthly cost (£ per month)		
					LOW	MED	HIGH
Supplier 1	Standard	450	20.72	15.87	29.60	45.50	69.30
Supplier 2	Standard	350	21.08	18.17	32.60	50.80	78.10
Supplier 3	Standard	450	28.59	18.49	36.10	54.60	81.10
Supplier 4	Standard	400	3.65	18.07	26.80	44.90	72.00
Supplier 1	Online	450	20.72	14.72	28.00	42.70	64.80
Supplier 2	Green	350	21.08	18.17	32.60	50.80	78.10
Supplier 3	Online	450	28.59	14.47	30.60	45.10	66.80
Supplier 4	Fixed	400	3.65	16.93	25.20	42.10	67.50

Tariffs with 1st and 2nd tier unit rates.


Supplier	Tariff	Standing charge (£ per month)	Unit rate (p/kWh)	Annual cost (£ per year)		
				LOW	MED	HIGH
Supplier 1	Standard	7.77	13.71	381.10	545.70	792.40
Supplier 2	Standard	6.15	16.24	414.80	609.70	902.00
Supplier 3	Standard	10.72	15.97	464.00	655.70	943.10
Supplier 4	Standard	1.22	15.88	348.10	538.60	824.50
Supplier 1	Online	7.77	12.71	360.10	512.70	741.40
Supplier 2	Green	6.15	16.24	414.80	609.70	902.00
Supplier 3	Online	10.72	12.50	391.20	541.20	766.20
Supplier 4	Fixed	1.22	14.88	327.10	505.60	773.50

OPTION C

The Yearly cost of each tariff is based on low, medium and high average use.

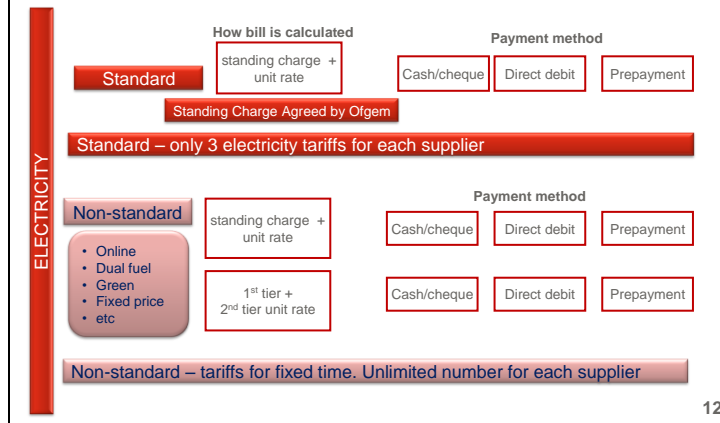
Supplier	Tariff	1 st Tier level (kWh)	1 st Tier rate (p/kWh)	2 nd Tier rate (p/kWh)	Annual cost (£ per year)		
					LOW	MED	HIGH
Supplier 1	Standard	450	20.72	15.87	355.10	545.60	831.40
Supplier 2	Standard	350	21.08	18.17	391.70	609.70	936.70
Supplier 3	Standard	450	28.59	18.49	433.80	655.70	963.80
Supplier 4	Standard	400	3.65	18.07	321.80	538.60	863.80
Supplier 1	Online	450	20.72	14.72	336.00	512.60	777.50
Supplier 2	Green	350	21.08	18.17	391.70	609.70	936.70
Supplier 3	Online	450	28.59	14.47	367.50	541.20	801.70
Supplier 4	Fixed	400	3.65	16.93	302.40	505.60	810.30

OPTION A

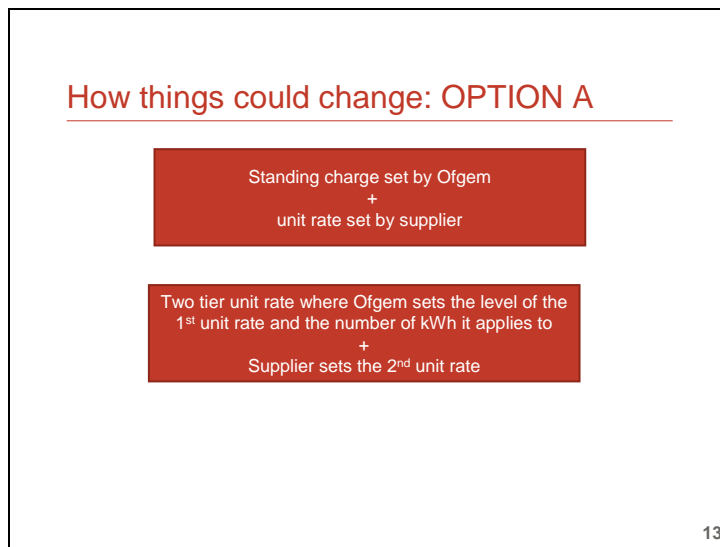


Creative Research 11

How things could change: OPTION A



How things could change: OPTION A



How things could change: OPTION A

Eg Electricity direct debit .

Supplier	Tariff	Standing charge (£ per month)	Unit charge (p/kWh)
Supplier 1	Standard	3.51	14.92
Supplier 2	Standard	3.51	17.58
Supplier 3	Standard	3.51	17.61
Supplier 4	Standard	3.51	13.87
Supplier 1	Online	6.15	17.58
Supplier 2	Green	4.70	17.61
Supplier 3	Online	1.22	18.44
Supplier 4	Fixed	1.22	17.20

- Ofgem has set the standing charge for all standard tariffs at £3.51 per month
- The suppliers set the standing charge for non-standard tariffs

14

How things could change: OPTION A

Eg Electricity direct debit

Shows the **Unit charge** if every tariff was based on the same standing charge of £3.51 per month based on low, medium or high average use

Supplier	Tariff	Standing charge (£ per month)	Unit charge (p/kWh)	standard tariff equivalent (p/kWh)		
				LOW	MED	HIGH
Supplier 1	Standard	3.51	14.92	14.90	14.90	14.90
Supplier 2	Standard	3.51	17.58	17.60	17.60	17.60
Supplier 3	Standard	3.51	17.61	17.60	17.60	17.60
Supplier 4	Standard	3.51	13.87	13.90	13.90	13.90
Supplier 1	Online	6.15	17.58	19.10	18.50	18.20
Supplier 2	Green	4.70	17.61	18.30	18.00	17.90
Supplier 3	Online	1.22	18.44	17.10	17.60	17.90
Supplier 4	Fixed	1.22	17.20	15.90	16.40	16.70

LOW	MED	HIGH
1,650 kWh per year	3,300 kWh per year	4,600 kWh per year

15

How things could change: OPTION A

Eg Electricity direct debit

Shows the **Monthly cost** for each tariff based on low, medium or high average use

Supplier	Tariff	Standing charge (£ per month)	Unit charge (p/kWh)	Monthly cost (£ per month)		
				LOW	MED	HIGH
Supplier 1	Standard	3.51	14.92	29.60	44.50	66.90
Supplier 2	Standard	3.51	17.58	34.30	51.90	78.20
Supplier 3	Standard	3.51	17.61	34.30	51.90	78.30
Supplier 4	Standard	3.51	13.87	22.90	41.90	57.00
Supplier 1	Online	6.15	17.58	36.90	54.50	80.90
Supplier 2	Green	4.70	17.61	35.50	53.10	79.50
Supplier 3	Online	1.22	18.44	33.50	51.90	79.60
Supplier 4	Fixed	1.22	17.20	31.30	48.50	74.30

LOW	MED	HIGH
1,650 kWh per year	3,300 kWh per year	4,600 kWh per year

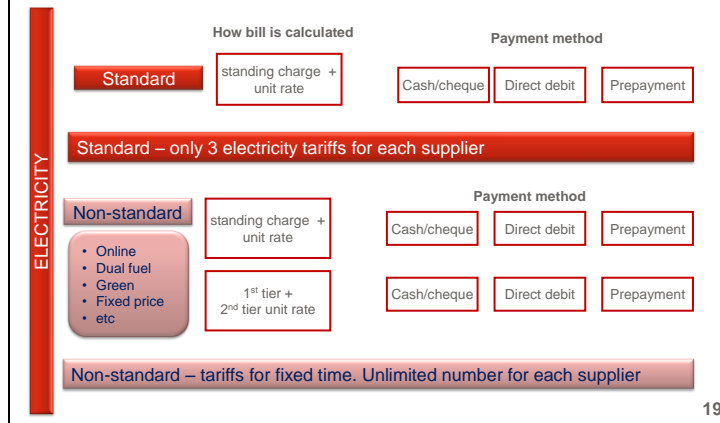
16

OPTION B

Creative Research

18

How things could change: OPTION B



How things could change: OPTION B

Standing charge set by Ofgem
+
unit rate set by supplier

Two tier unit rate where Ofgem sets the level of the
1st unit rate and the number of kWh it applies to
+
Supplier sets the 2nd unit rate

19a

How things could change: OPTION B

Eg Electricity direct debit .

Supplier	Tariff	Standing charge (£ per month)	Unit charge (p/kWh)
Supplier 1	Standard	7.77	13.71
Supplier 2	Standard	6.15	16.24
Supplier 3	Standard	10.72	12.42
Supplier 4	Standard	7.77	12.71
Supplier 1	Online	6.15	16.24
Supplier 2	Green	4.70	16.27
Supplier 3	Online	1.22	14.88
Supplier 4	Fixed	1.22	15.88

20

How things could change: OPTION B

Eg Electricity direct debit

Shows the **Monthly cost** for each tariff based on low, medium or high average use

Supplier	Tariff	Standing charge (£ per month)	Unit charge (p/kWh)	Monthly cost (£ per month)		
				LOW	MED	HIGH
Supplier 1	Standard	7.77	13.71	31.80	45.50	66.00
Supplier 2	Standard	6.15	16.24	34.60	50.80	75.20
Supplier 3	Standard	10.72	12.42	32.50	50.80	63.50
Supplier 4	Standard	7.77	12.71	30.00	42.70	61.80
Supplier 1	Online	6.15	16.24	34.60	50.80	75.20
Supplier 2	Green	4.70	16.27	33.20	49.40	73.90
Supplier 3	Online	1.22	14.88	27.30	42.10	64.50
Supplier 4	Fixed	1.22	15.88	29.00	44.90	68.70

LOW 1,650 kWh per year	MED 3,300 kWh per year	HIGH 4,950 kWh per year
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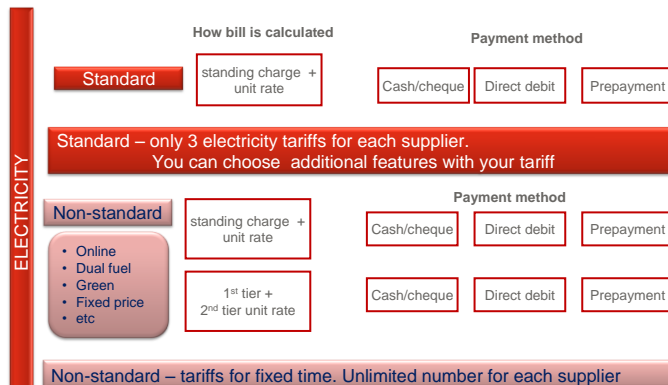
21

OPTION D

Creative Research

22

How things could change: OPTION D



23

How things could change: OPTION D

Eg Electricity direct debit

Shows the **Monthly cost** for each tariff based on medium use.

Supplier	Tariff	Monthly charge (£)	Paperless billing (£)	Boiler maintenance (£)	Green option (£)
Supplier 1	Standard	37.51	-£3.80	+£8.40	+£7.00
Supplier 2	Standard	40.28	-£2.80	+£5.10	+£4.40
Supplier 3	Standard	44.43	-£4.00	+£8.80	+£5.60
Supplier 4	Standard	44.63	-£2.80	+£6.00	+£4.00
Supplier 1	Fixed – 2 years	45.11	✓	✓	
Supplier 2	Fixed – 1 year	46.68			✓
Supplier 3	Fixed – 1 year	46.97		✓	
Supplier 4	Fixed – 2 years	48.20			✓

Standard tariffs - additional features may be selected alongside the monthly charge

Non standard tariffs - additional features may be included within the monthly charge

Creative Research

24

SUMMING UP

Creative Research

25

Summing Up

Current situation – many different tariffs with inconsistent presentation

Option C – many different tariffs available

Option A
Standard tariffs – 3 per supplier. Agreed standing charge.
Non Standard tariffs – unlimited number.

Option D
Standard tariffs - 3 per supplier. Additional features available
Non Standard tariffs – unlimited number.

Price comparison information / consistent presentation

For low, medium and high average use

p/kWh
£ / month
£ / year

Creative Research

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Summing Up

Current situation – many different tariffs with inconsistent presentation

Option C – many different tariffs available

Option B
Standard tariffs - 3 per supplier.
Non Standard tariffs – unlimited number.

Option D
Standard tariffs - 3 per supplier. Additional features available
Non Standard tariffs – unlimited number.

Price comparison
information /
consistent
presentation

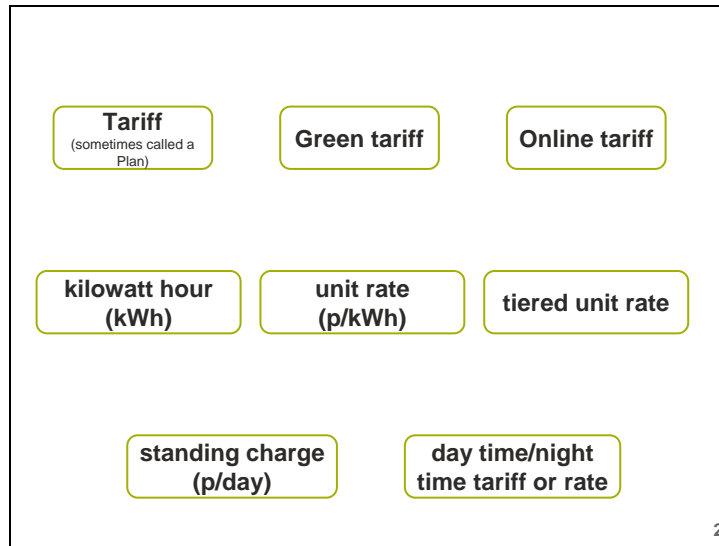
For low, medium
and high average
use

p/kWh
£ / month
£ / year

Creative Research

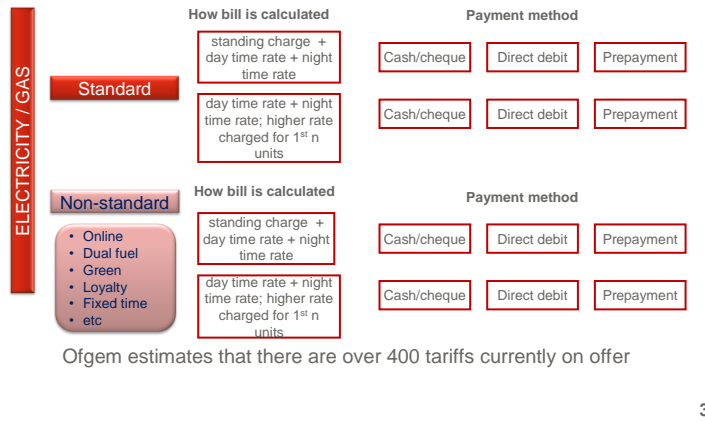
27

5.3.2 Customers on day time/night time tariffs



2

What happens at the moment?



3

Standing charge

pence per day e.g. 22.55p/day

pounds per month e.g. £6.86/month

pounds per quarter e.g. £20.58/quarter

pounds per year e.g. £82.32/year

4

Eg electricity, direct debit

Supplier	Tariff	Standing charge (£ per month)	Day time rate (p/kWh)	Night time rate (p/kWh)
Supplier 1	Standard	7.77	18.54	7.71
Supplier 2	Standard	6.15	17.31	4.74
Supplier 3	Standard	10.72	16.73	6.99
Supplier 4	Standard	1.22	18.38	5.51
Supplier 1	Online	7.77	17.04	6.21
Supplier 2	Green	6.15	18.81	6.24
Supplier 3	Online	10.72	15.22	5.49
Supplier 4	Loyalty	1.22	18.38	5.51

Supplier	Tariff	1 st Tier level (kWh)	1 st Tier rate (p/kWh)	Day time rate (p/kWh)	Night time rate (p/kWh)
Supplier 1	Standard	450	20.72	20.18	8.05
Supplier 2	Standard	350	21.08	17.31	5.80
Supplier 3	Standard	450	28.59	16.16	8.98
Supplier 4	Standard	400	3.65	18.50	6.74
Supplier 1	Online	450	20.72	18.45	6.53
Supplier 2	Green	350	21.08	18.81	7.45
Supplier 3	Online	450	28.59	17.05	5.31
Supplier 4	Online	400	3.65	18.39	6.83

Tariffs with standing charge + unit rate.

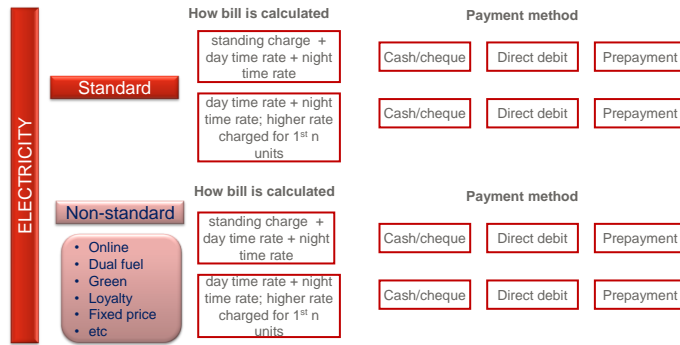
Tariffs with 1st and 2nd tier unit rates.

5

OPTION C

6

How things could change: OPTION C



Option C – same as now however, tariffs must be presented in a consistent way

7

OPTION C

Supplier	Tariff	Standing charge (£/month)	Day rate (p/kWh)	Night rate (p/kWh)	Monthly cost (£ per month)		
					LOW	MED	HIGH
Supplier 1	Standard	7.77	18.54	7.71	42.40	77.00	111.60
Supplier 2	Standard	6.15	17.31	4.74	34.70	63.30	91.90
Supplier 3	Standard	10.72	16.73	6.99	42.00	73.30	104.50
Supplier 4	Standard	1.22	18.38	5.51	32.30	63.40	94.50
Supplier 1	Online	7.77	17.04	6.21	38.30	68.70	99.20
Supplier 2	Green	6.15	18.81	6.24	38.90	71.60	104.30
Supplier 3	Online	10.72	15.22	5.49	37.90	65.00	92.20
Supplier 4	Fixed	1.22	18.38	5.51	32.30	63.40	94.50

Tariffs with standing charge + unit rate.

The Monthly cost of each tariff is based on low, medium and high average use

Supplier	Tariff	1 st Tier level (kWh)	1 st Tier (p/kWh)	Day rate (p/kWh)	Night rate (p/kWh)	Monthly cost (£ per month)		
						LOW	MED	HIGH
Supplier 1	Standard	450	20.72	20.18	8.05	39.80	77.00	114.10
Supplier 2	Standard	350	21.08	17.31	5.80	33.10	63.30	93.50
Supplier 3	Standard	450	28.59	16.16	8.98	39.70	73.30	106.10
Supplier 4	Standard	400	3.65	18.39	6.83	30.30	63.40	96.50
Supplier 1	Online	450	20.72	18.45	6.53	36.00	68.70	101.40
Supplier 2	Green	350	21.08	18.81	7.45	37.00	71.60	106.10
Supplier 3	Online	450	28.59	17.05	5.31	35.90	65.00	94.10
Supplier 4	Fixed	400	3.65	18.50	6.74	30.30	63.40	96.50

Tariffs with 1st and 2nd tier unit rates.

8

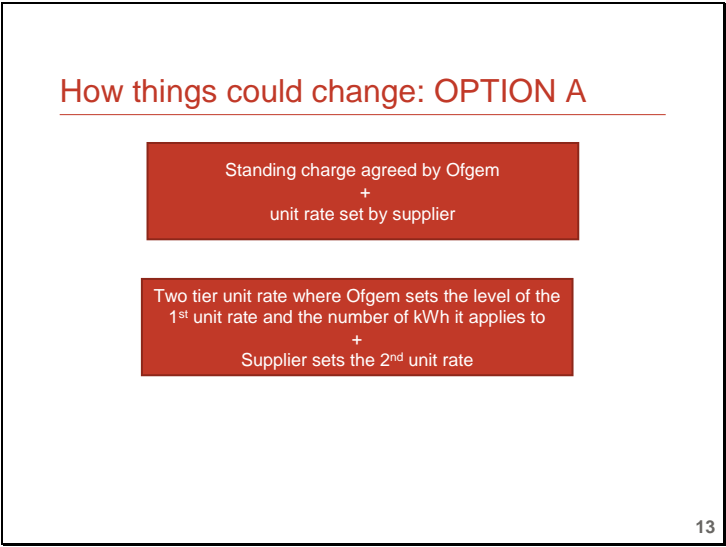
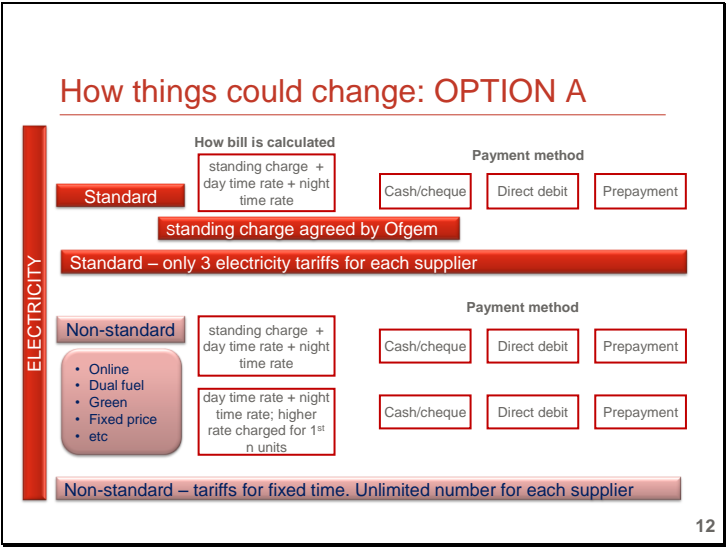
OPTION C

Supplier	Tariff	Standing charge (£/month)	Day rate (p/kWh)	Night rate (p/kWh)	Annual cost (£ per year)		
					LOW	MED	HIGH
Supplier 1	Standard	7.77	18.54	7.71	508.50	923.70	1339.00
Supplier 2	Standard	6.15	17.31	4.74	416.90	759.90	1103.00
Supplier 3	Standard	10.72	13.89	6.99	503.90	879.10	1254.40
Supplier 4	Standard	1.22	19.54	5.51	387.50	760.40	1133.40
Supplier 1	Online	7.77	17.04	6.21	459.00	824.80	1190.60
Supplier 2	Green	6.15	18.81	6.24	466.40	858.90	1251.50
Supplier 3	Online	10.72	14.56	5.49	454.40	780.10	1105.80
Supplier 4	Fixed	1.22	18.38	5.51	387.50	760.40	1133.40

The Yearly cost of each tariff is based on low, medium and high average use

Supplier	Tariff	1 st Tier level (kWh)	1 st Tier (p/kWh)	Day rate (p/kWh)	Night rate (p/kWh)	Annual cost (£ per year)		
						LOW	MED	HIGH
Supplier 1	Standard	450	20.72	20.18	8.05	478.10	923.80	1369.40
Supplier 2	Standard	350	21.08	17.31	5.80	397.70	760.00	1122.30
Supplier 3	Standard	450	28.59	12.03	8.98	476.70	879.60	1254.40
Supplier 4	Standard	400	3.65	19.54	6.74	363.50	760.50	1157.50
Supplier 1	Online	450	20.72	18.45	6.53	432.20	824.80	1217.30
Supplier 2	Green	350	21.08	18.81	7.45	444.40	859.00	1273.50
Supplier 3	Online	450	28.59	15.21	5.31	430.60	780.10	1129.70
Supplier 4	Fixed	400	3.65	18.38	6.83	363.50	760.50	1157.50

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How things could change: OPTION A

'Typical' customer uses 45% of their electricity during the day and 55% at night.

Eg Electricity direct debit

To make it easier to compare tariffs, we can look at the 'typical' customer's 'average' unit rate

Supplier	Tariff	Standing charge (£ per month)	Day time rate (p/kWh)	Night time rate (p/kWh)	Weighted charge (p/kWh)
Supplier 1	Standard	3.51	20.19	8.46	13.74
Supplier 2	Standard	3.51	18.96	5.49	11.55
Supplier 3	Standard	3.51	18.29	7.74	12.49
Supplier 4	Standard	3.51	18.69	6.96	12.24
Supplier 1	Online	6.15	20.46	6.99	13.05
Supplier 2	Green	4.70	21.57	9.02	14.66
Supplier 3	Online	1.22	21.03	6.26	12.91
Supplier 4	Fixed	1.22	22.04	6.26	13.36

Ofgem has agreed the standing charge for all standard tariffs at £3.51 per month

The suppliers set the standing charge for non-standard tariffs

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How things could change: OPTION A

Eg Electricity direct debit

Shows the **Unit charge** if every tariff was based on the same standing charge of £3.51 per month based on low, medium or high average use

Supplier	Tariff	Standing charge (£ per month)	Day time rate (p/kWh)	Night time rate (p/kWh)	Weighted charge (p/kWh)	standard tariff equivalent (p/kWh)		
						LOW	MED	HIGH
Supplier 1	Standard	3.51	20.19	8.46	13.74	13.74	13.74	13.74
Supplier 2	Standard	3.51	18.96	5.49	11.55	11.55	11.55	11.55
Supplier 3	Standard	3.51	18.29	7.74	12.49	12.49	12.49	12.49
Supplier 4	Standard	3.51	18.69	6.96	12.24	12.24	12.24	12.24
Supplier 1	Online	6.15	20.46	6.99	13.05	14.01	13.53	13.37
Supplier 2	Green	4.70	21.57	9.02	14.66	15.10	14.88	14.81
Supplier 3	Online	1.22	21.03	6.26	12.91	12.07	12.49	12.63
Supplier 4	Fixed	1.22	22.04	6.26	13.36	12.53	12.95	13.08



LOW	MED	HIGH
1,650 kWh per year	3,300 kWh per year	4,000 kWh per year

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How things could change: OPTION A

Eg Electricity direct debit

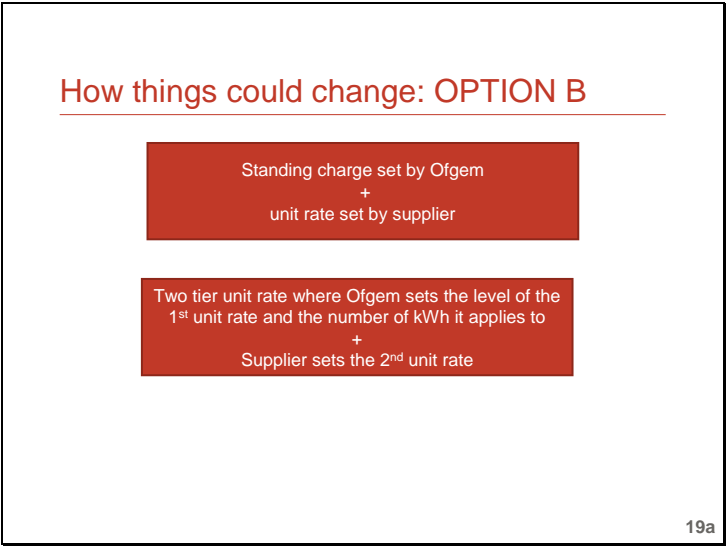
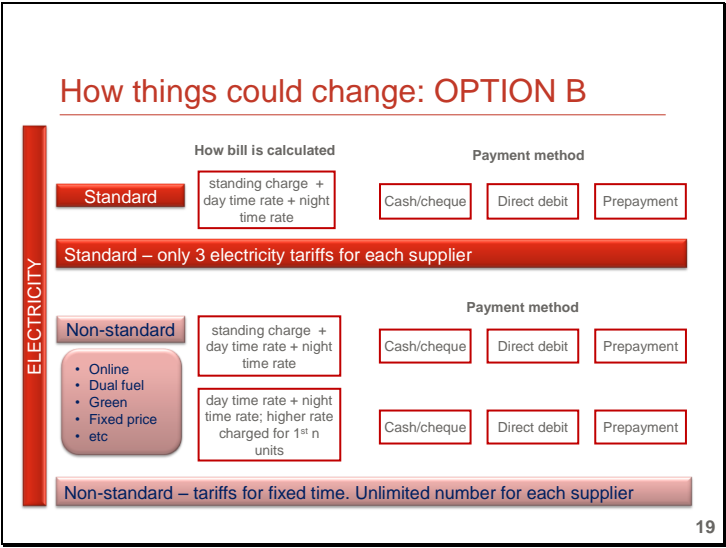
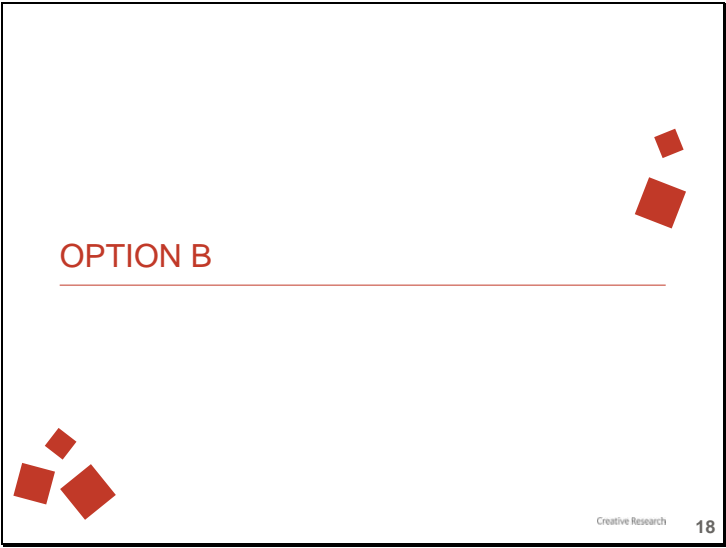
Shows the **Monthly cost** for each tariff based on low, medium or high average use

Supplier	Tariff	Standing charge (£ per month)	Day time rate (p/kWh)	Night time rate (p/kWh)	Weighted charge (p/kWh)	monthly cost (£ per month)		
						LOW	MED	HIGH
Supplier 1	Standard	3.51	20.19	8.46	13.74	41.30	79.10	116.90
Supplier 2	Standard	3.51	18.96	5.49	11.55	35.30	67.00	98.80
Supplier 3	Standard	3.51	18.29	7.74	12.49	37.90	72.20	106.50
Supplier 4	Standard	3.51	18.69	6.96	12.24	37.50	71.10	104.80
Supplier 1	Online	6.15	20.46	6.99	13.05	42.00	77.90	113.80
Supplier 2	Green	4.70	21.57	9.02	14.66	45.00	85.40	125.70
Supplier 3	Online	1.22	21.03	6.26	12.91	36.70	72.20	107.70
Supplier 4	Fixed	1.22	22.04	6.26	13.36	38.00	74.70	111.50



LOW	MED	HIGH
1,650 kWh per year	3,300 kWh per year	4,000 kWh per year

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How things could change: OPTION B

Eg Electricity direct debit

Supplier	Tariff	Standing charge (£ per month)	Day time rate (p/kWh)	Night time rate (p/kWh)
Supplier 1	Standard	7.77	18.54	7.71
Supplier 2	Standard	6.15	17.31	4.74
Supplier 3	Standard	13.76	12.66	6.99
Supplier 4	Standard	7.77	17.04	6.21
Supplier 1	Online	6.15	18.81	6.24
Supplier 2	Green	4.70	19.92	8.27
Supplier 3	Online	1.22	18.38	5.51
Supplier 4	Fixed	1.22	19.54	5.51

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How things could change: OPTION B

'Typical' customer uses 45% of their electricity during the day and 55% at night. Eg Electricity direct debit

To make it easier to compare tariffs, we can look at the 'typical' customer's 'average' consumption

Shows the **Monthly cost** for each tariff based on low, medium or high average use

Supplier	Tariff	Standing charge (£ per month)	Day time rate (p/kWh)	Night time rate (p/kWh)	monthly cost (£ per month)		
					LOW	MED	HIGH
Supplier 1	Standard	7.77	18.54	7.71	42.40	77.00	111.60
Supplier 2	Standard	6.15	17.31	4.74	34.70	63.30	91.90
Supplier 3	Standard	13.76	12.66	6.99	40.00	68.70	92.50
Supplier 4	Standard	7.77	17.04	6.21	38.30	68.70	99.20
Supplier 1	Online	6.15	18.81	6.24	38.90	71.60	104.30
Supplier 2	Green	4.70	19.92	8.27	41.90	79.00	116.20
Supplier 3	Online	1.22	18.38	5.51	32.30	63.40	94.50
Supplier 4	Fixed	1.22	19.54	5.51	33.70	66.30	98.80

LOW	MED	HIGH
1,650 kWh per year	3,300 kWh per year	4,950 kWh per year

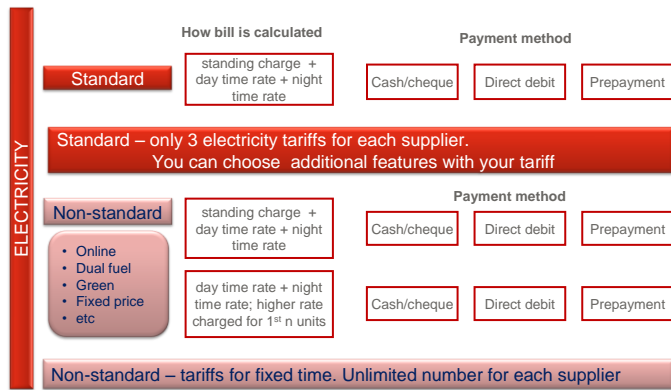
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OPTION D

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How things could change: OPTION D



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How things could change: OPTION D

Eg Electricity direct debit

Shows the **Monthly cost** for each tariff based on medium use.

Supplier	Tariff	Monthly charge (£)	Paperless billing (£)	Boiler maintenance (£)	Green option (£)
Supplier 1	Standard	37.51	-£3.80	+£8.40	+£7.00
Supplier 2	Standard	40.28	-£2.80	+£5.10	+£4.40
Supplier 3	Standard	44.43	-£4.00	+£8.80	+£5.60
Supplier 4	Standard	44.63	-£2.80	+£6.00	+£4.00
Supplier 1	Fixed - 2 years	45.11	✓	✓	
Supplier 2	Fixed - 1 year	46.68			✓
Supplier 3	Fixed - 1 year	46.97		✓	
Supplier 4	Fixed - 2 years	48.20			✓

Standard tariffs - additional features may be **selected alongside** the monthly charge

Non standard tariffs - additional features may be **included within** the monthly charge

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SUMMING UP

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Summing Up

Current situation – many different tariffs with inconsistent presentation

Option C – many different tariffs available

Option A
Standard tariffs – 3 per supplier. Agreed standing charge.
Non Standard tariffs – unlimited number.

Option D
Standard tariffs - 3 per supplier. Additional features available
Non Standard tariffs – unlimited number.

Price comparison
information /
consistent
presentation

For low, medium
and high average
use

p/kWh
£ / month
£ / year

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Summing Up

Current situation – many different tariffs with inconsistent presentation

Option C – many different tariffs available

Option B
Standard tariffs - 3 per supplier.
Non Standard tariffs – unlimited number.

Option D
Standard tariffs - 3 per supplier. Additional features available
Non Standard tariffs – unlimited number.

Price comparison
information /
consistent
presentation

For low, medium
and high average
use

p/kWh
£ / month
£ / year

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