

## Report on UK electricity prices – October 2011

There are many electricity supply companies in the UK and here is a selection: Amerada, Atlantic Electric and Gas, Basic Power, Cambridge Gas and Electricity, Countrywide Energy, E.ON Energy, Ecotricity, EDF Energy, Equipower (EBICo), Good Energy, Green Energy UK, Lloyds TSB, London Energy, Npower, Sainsburys Energy, Scottish Hydro Electric, ScottishPower, Seeboard Energy, Southern Electric, Swalec, SWEB Energy, Utilita, Utility Warehouse, Virgin Energy, British Gas & ZEST4

These companies have several different tariffs, rates for geographic area and methods of payment. Some build their 'standing charge' into the rate per kWh.

The prices below have been derived by averaging the unit prices, tariffs and area variations from 6 main electricity providers, namely British Gas, Eon (formally powergen), Npower, Southern Electric, Scottish Power & EDF Energy.

<b>Average domestic UK prices in pence per kWh (to 2 decimal places)</b>					
<b>Costs</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Basic price <sup>(1)</sup>	9.52	10.89	11.10	10.80	10.55 <sup>(3)</sup>
Carbon & Green Tax <sup>(2)</sup> @ 12%	1.23	1.48	1.51	1.47	1.44
VAT to EU @ 0.3%	0.03	0.04	0.04	0.04	0.04
VAT to UK @ 4,7%	0.53	0.61	0.62	0.61	0.59
<b>Total incl. VAT</b>	<b>11.32</b>	<b>13.02</b>	<b>13.27</b>	<b>12.92</b>	<b>12.62</b>

Note that there is **no Climate Change Levy** added to the price of domestic electricity supplies from the supplier but there are environmental taxes charged to the generator<sup>(2)</sup>, which are collected at source. In order to ensure that **domestic consumption** of energy is not caught by the levy and to keep compliance costs to a minimum, the levy is imposed at the **time of supply to industrial and commercial consumers**.

For domestic users of pensionable age some interesting figures follow:

Basic Old Age Pension (BOAP) per annum - £5,311.80

OAP per annum for a married couple - £8493.30

Average annual bill across the UK - £426 Comprising:

- Cost - £377.44

- Green tax/levy<sup>(6)</sup> - £48.56 (approximately 1% of BOAP).

The commercial figures below do not apply to power generation companies but to manufacturing and other commercial ventures.

<b>Average commercial UK prices in pence per kWh (to 2 decimal places)</b>					
<b>Costs</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Basic price <sup>(1)</sup>	4.78	6.05	6.39	5.73	5.95
Carbon & Green Tax <sup>(2)</sup> @ 12%	0.65	0.83	0.87	0.78	0.81
Climate Change Levy <sup>(4)</sup>	0.47	0.47	0.47	0.47	0.47
VAT to EU @ 0.3% <sup>(5)</sup>	0.02	0.02	0.02	0.02	0.02
VAT to UK @ 19.7%	1.16	1.45	1.52	1.37	1.42
<b>Total incl. VAT</b>	<b>7.08</b>	<b>8.82</b>	<b>9.27</b>	<b>8.37</b>	<b>8.67</b>

<sup>(1)</sup>The basic price includes; fuel cost, maintenance, operating costs, equipment depreciation, other overheads and profit: the fuel comprises about 45% of the basic price.

<sup>(2)</sup> These are the taxes that the 'generator of electricity' must pay on the fuel used by the generation equipment. If CCL is collected at source and passed on to Commercial users it must be identified separately as CCL.

<sup>(3)</sup>This rate per kWh is from E.ON from May of 2011, as the Department of Energy and Climate Change (DECC) have not yet issued their averaged figures for 2011.

<sup>(4)</sup>This figure is subject to exemptions and the average paid by a selection of commercial enterprises is less than that shown, i.e. an average of 0.26P/kWh across 800 companies.

<sup>(5)</sup>This is rumoured to be increasing to 1.3% if the EU Commission is supported by the EU Parliament

<sup>(6)</sup>These figures include; Fossil fuel levy, Renewal Obligations (Certificates), Carbon Emission Reduction Target and will be increased in 2013 by the addition of the 'Carbon Price Floor', effectively adding the Climate Change Levy to the total.

Sources:

<http://www.decc.gov.uk/publications/basket.aspx?filepath=statistics%2fsource%2fprices%2fqep223.xls&filetype=4&minwidth=true#basket>

[http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?nfpb=true&\\_pageLabel=pageLibrary\\_ShowContent&propertyType=document&id=HMCE\\_CL\\_000290](http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?nfpb=true&_pageLabel=pageLibrary_ShowContent&propertyType=document&id=HMCE_CL_000290)

<http://www.businessgreen.com/bg/industry-voice-blog/2097882/true-cost-energy-climate-change-policies-bills>