

# Typical domestic energy consumption figures

Factsheet 96

18.01.11

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**Ofgem uses a typical domestic energy consumption figure when working out certain types of data and analysis. For example, average household bills. We recently revised these typical consumption figures. The new figures came into use on 17 January 2011.**

## ▶ What is a typical consumption figure?

It is the amount of energy that a 'typical' household, with a medium level of energy consumption, uses in a year.

We have also calculated typical low and typical high annual consumption values.<sup>1</sup>

## ▶ What is this used for?

Ofgem uses this figure in a wide range of analysis. This includes:

- calculating the cost of an average annual energy bill
- working out the level of savings available for customers who want to switch.

Other organisations that may use our typical consumption figures include:

- media
- energy suppliers
- industry
- other bodies such as the Advertising Standards Agency
- some (but not all) switching sites.

## ▶ Why has Ofgem recalculated the figure?

The typical consumption values were last reviewed in 2003 by Energywatch. We decided to revise the figures so that they better reflect current consumption levels.

|   | Gas        | Electricity |
|---|------------|-------------|
| <b>New typical medium consumption figures</b> | 16,500 kWh | 3,300 kWh   |
| <b>Old typical medium consumption figures</b> | 20,500 kWh | 3,300 kWh   |

As you can see, the typical consumption figure for gas has decreased. But the figure for electricity has stayed the same.

For households on a time of use tariff, such as Economy 7, the typical medium consumption figure for electricity is 5,000 kWh, compared to the old value of 6,600 kWh.

Customers may choose to be on a time of use tariff because it fits their pattern of energy consumption. Some households on a time of use tariff may have a higher consumption of electricity than those on standard tariffs because they use electricity to heat their home or provide hot water.

<sup>1</sup>Typical low consumption values: Gas - 11,000 kWh, Electricity - 2,100 kWh. Typical high consumption values: Gas - 23,000 kWh, Electricity - 5,100 kWh

## ► Why has typical gas consumption decreased?

Households may be keen to reduce their energy use, to save money on their bills or cut carbon emissions and combat climate change.

They may be doing this via increased energy efficiency measures around the home, which would reduce gas use.

For example, households could have taken up energy efficient improvements such as:

- insulation
- a more energy efficient boiler
- double glazing.

Government programmes such as the Carbon Emissions Reduction Target (CERT) have also promoted the take-up of energy saving measures.

## ► Why has typical electricity consumption stayed the same?

There is no definitive answer for why typical electricity consumption has stayed the same. Lighting and household appliances are increasingly more energy efficient, but this may have been offset by the growing number of energy-hungry

gadgets in a typical home. For example, there are more laptops, large screen televisions and other electronic appliances.

## ► How have we calculated the new consumption figures?

**The old 2003 figures were calculated based using mean consumption figures.**

**To calculate the new typical consumption figures, we used median historical values. Using median values allows our figure to be more representative for a greater number of consumers.**

**Mean:** Adds together a set of figures and then divides by the number of figures in the range.

**Median:** Arranges a set of figures in order of size. Takes the middle figure.

As part of our assessment we reviewed consumption data and analysis from other organisations. We also looked at consumption trends over time.

Considering the information available, and taking views from stakeholders, we decided to take four years of historical data as a basis for our calculations. We used consumption data provided by the Department for Energy and Climate Change (DECC) and industry.

We consulted widely on this method. When we calculated the figures, we also consulted on whether we should adopt them as our new consumption figures.

► Why doesn't Ofgem change consumption figures more regularly to give more real time information on consumption?

We use a combination of long-term typical consumption figures and current market data in our analysis.

It is essential to have a benchmark typical consumption figure so we can show how trends change.

If we changed the typical consumption figures more regularly, it would be more difficult to produce a consistent picture of

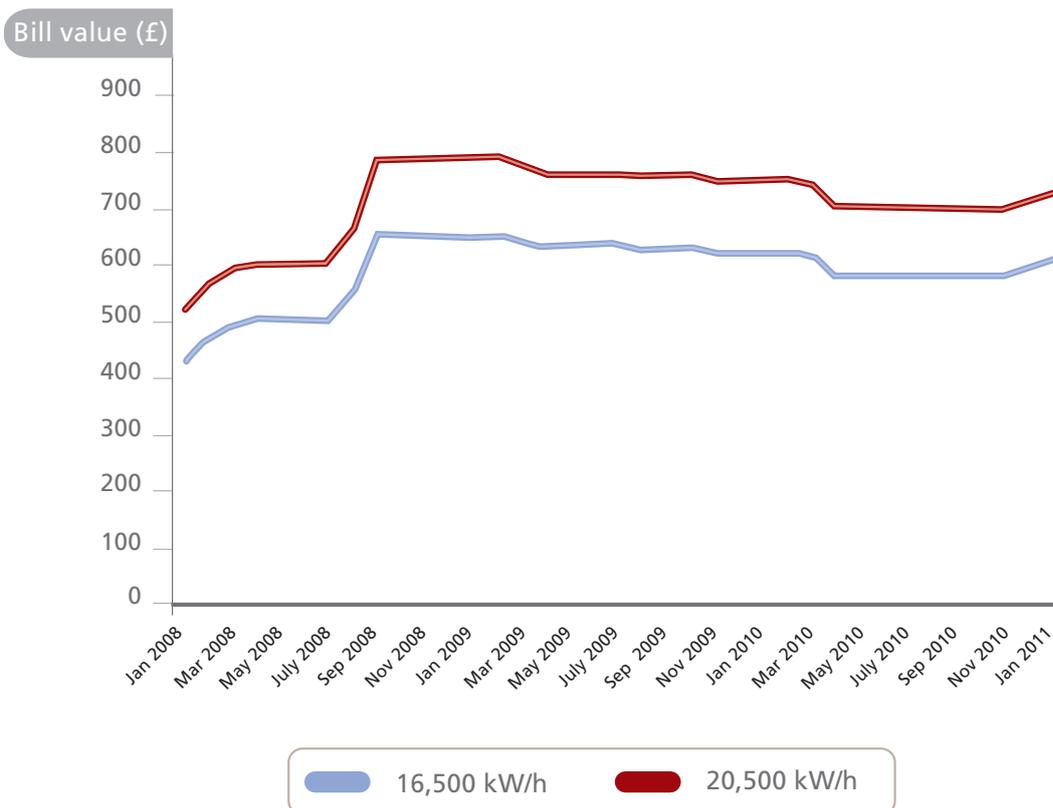
bill values over time. It could also be more confusing for consumers and industry if we regularly changed our benchmark figures.

In future, if we have evidence that they are no longer a fair representation of consumption, we will consider revising these figures again, as we have done now.

**Graph shows the annual gas bill values for standard direct debit tariffs, averaged across all the big six suppliers and across Great Britain, from 1 January 2008 to 1 January 2011.**

Red line uses the old typical medium consumption level (20,500 kWh)

Blue line uses the new typical medium consumption level (16,500 kWh)



## ► How will the revised typical consumption figures affect customers?

They are just meant to represent typical consumption figures, so your household's energy consumption will not change. Your energy bills will still be based on your own consumption.

But it will mean that we change the figure given for a 'typical' or 'medium' energy bill. We use this figure in various work,

including our factsheet: Household Energy Bills Explained. So if you regularly compare your gas bill with our 'medium' bills figure, then you will notice a change.

**Annual bill values for standard direct debit tariffs, averaged across all big six suppliers, across Great Britain. All bill values below reflect gas and electricity prices in January 2011.**

**New medium gas bill – based on consumption of 16,500 kWh per year**

**£608**

**Old medium gas bill - based on consumption of 20,500 kWh per year**

**£729**

**New medium electricity bill – based on consumption of 3,300 kWh per year**

**£424**

**Old medium electricity bill – based on consumption of 3,300 kWh per year**

**£424**

Not all online comparison sites use our figures. Some use their own data to calculate average bills. But if you do regularly use an online comparison site to compare prices, and that site uses our figures, then you may see some changes in the typical savings it says you can make by switching.

It is important to note that these are just meant to represent 'typical' consumption figures. In reality, there is no such thing as a typical consumer. Every household is different.

## ► Use real information about your own energy use to shop around

Over the last few years we have made major changes to the retail energy market. We have put pressure on suppliers and introduced new rules, including improved information for consumers on their actual energy use through clearer bills and annual statements.

This way you don't have to use typical consumption figures when shopping around for a better deal.

**When switching, or using an online comparison site, make sure you have your recent bill or energy statement on hand. It provides valuable information about your own energy use and the type of deal you are currently on.**

**This will help you make accurate comparisons with any alternative offer.**

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