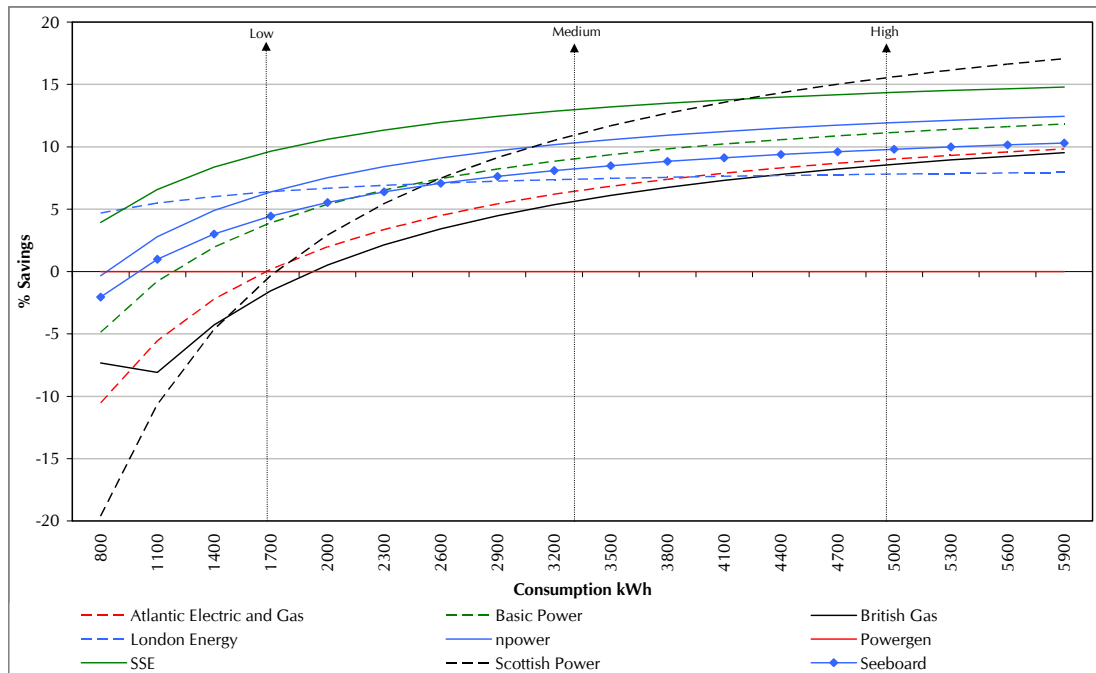


Appendix 8 Available price savings: electricity

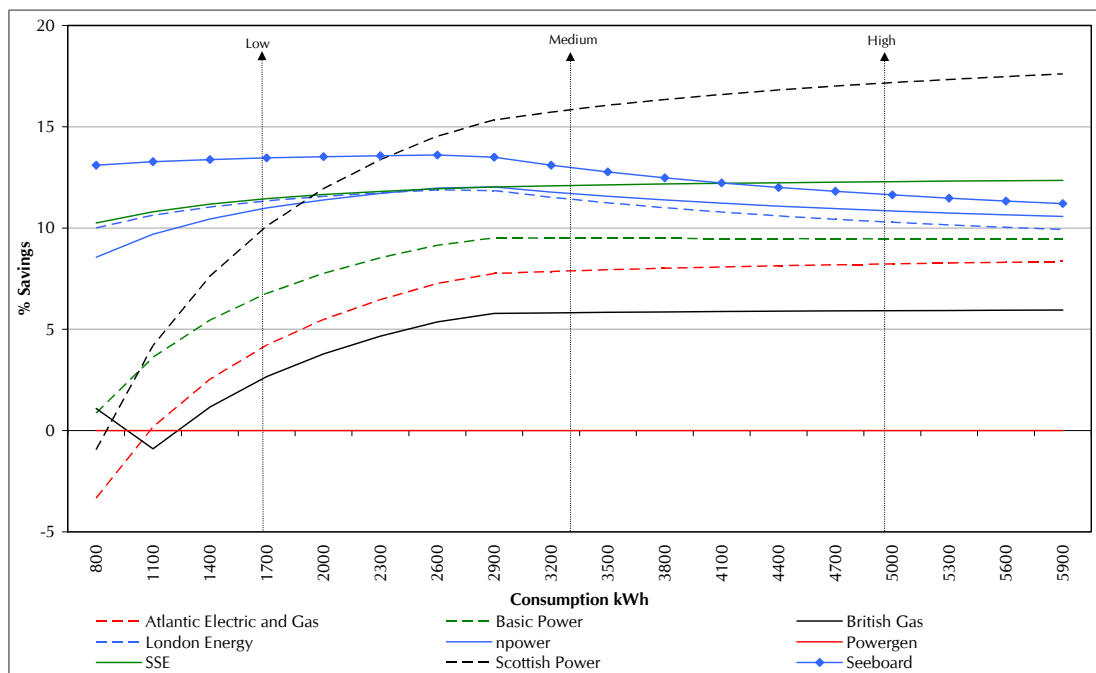
1.1 This section presents data on electricity price savings compared to the ex-PESs all 14 regions.

Figure A8.1: Direct debit electricity savings in East Midlands area



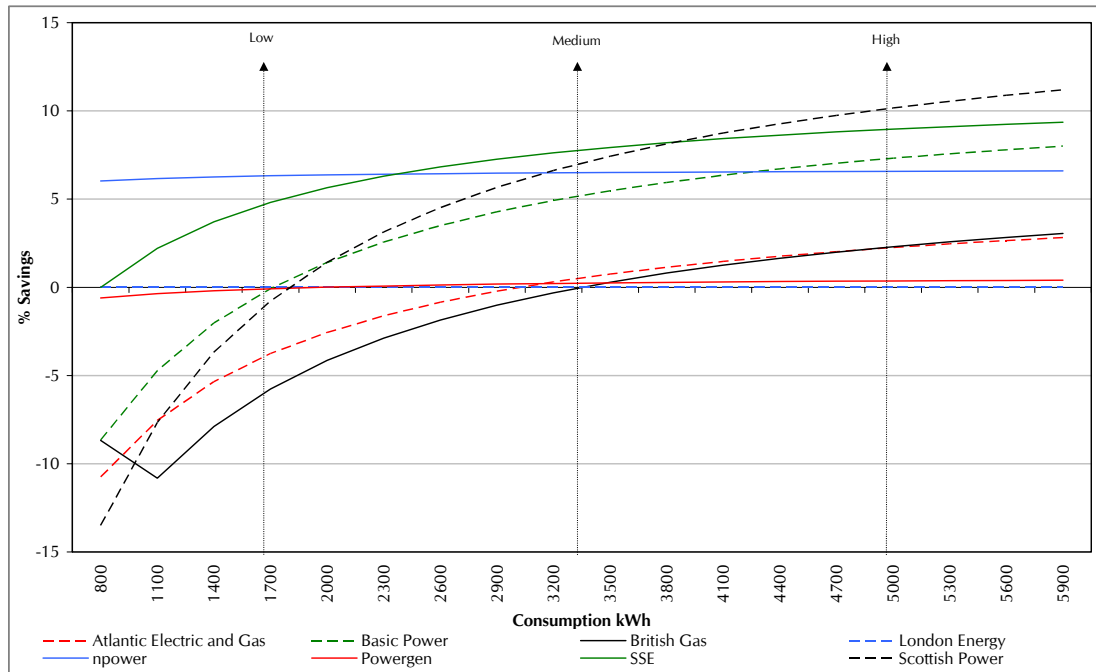
Source: Ofgem

Figure A8.2: Direct debit electricity savings in Eastern area



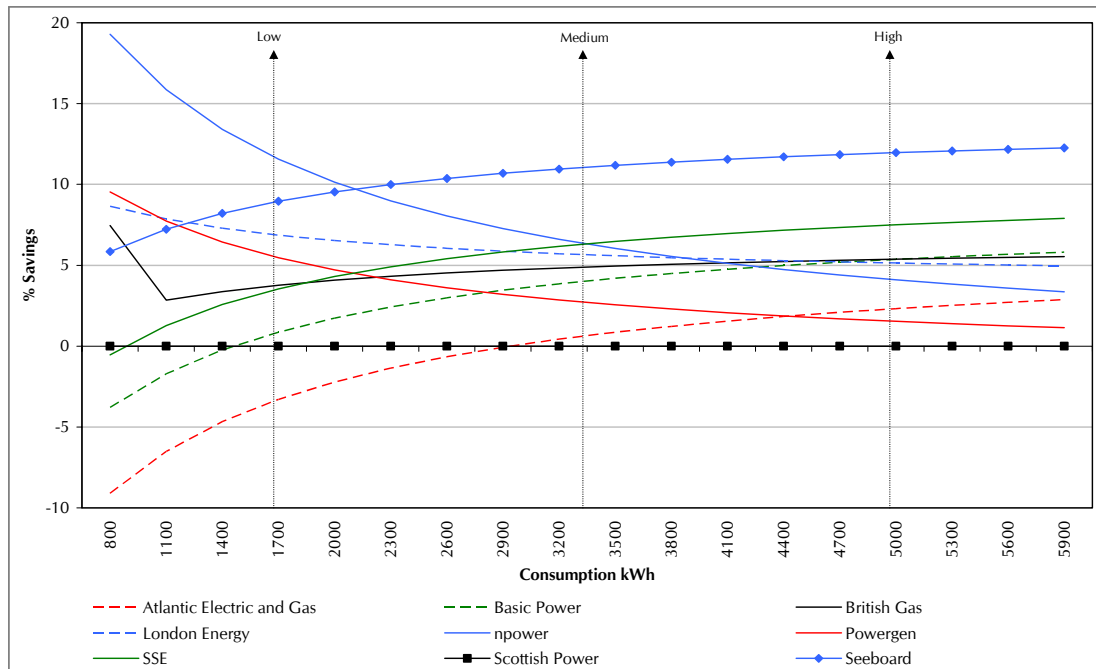
Source: Ofgem

Figure A8.3: Direct debit electricity savings in London area



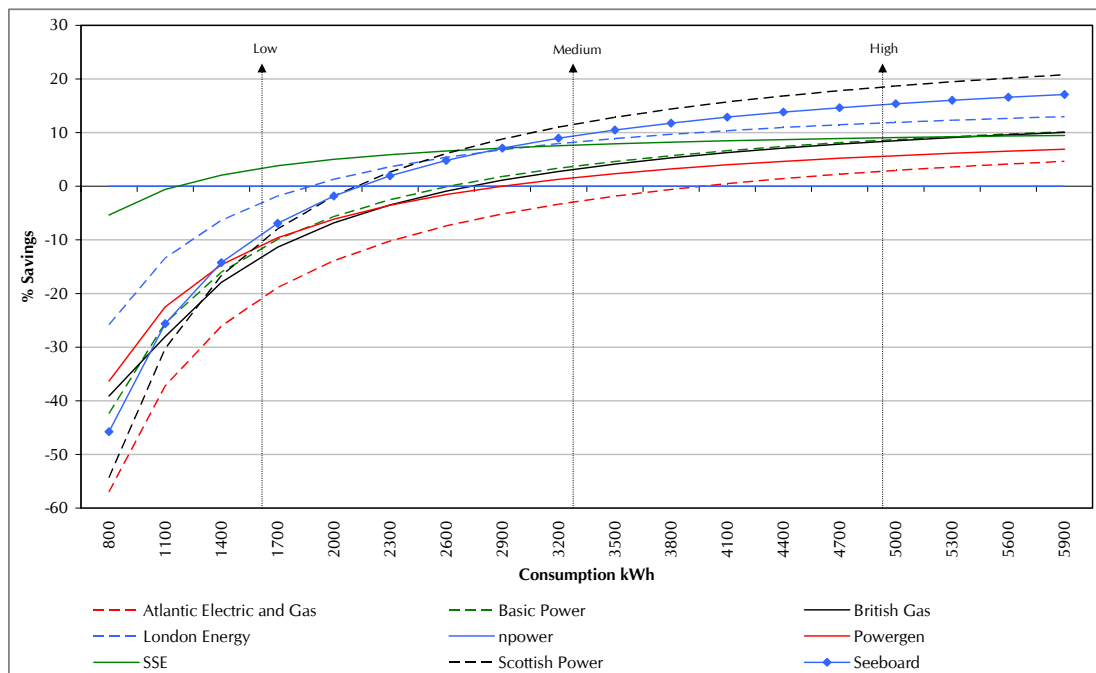
Source: Ofgem

Figure A8.4: Direct debit electricity savings in Manweb area



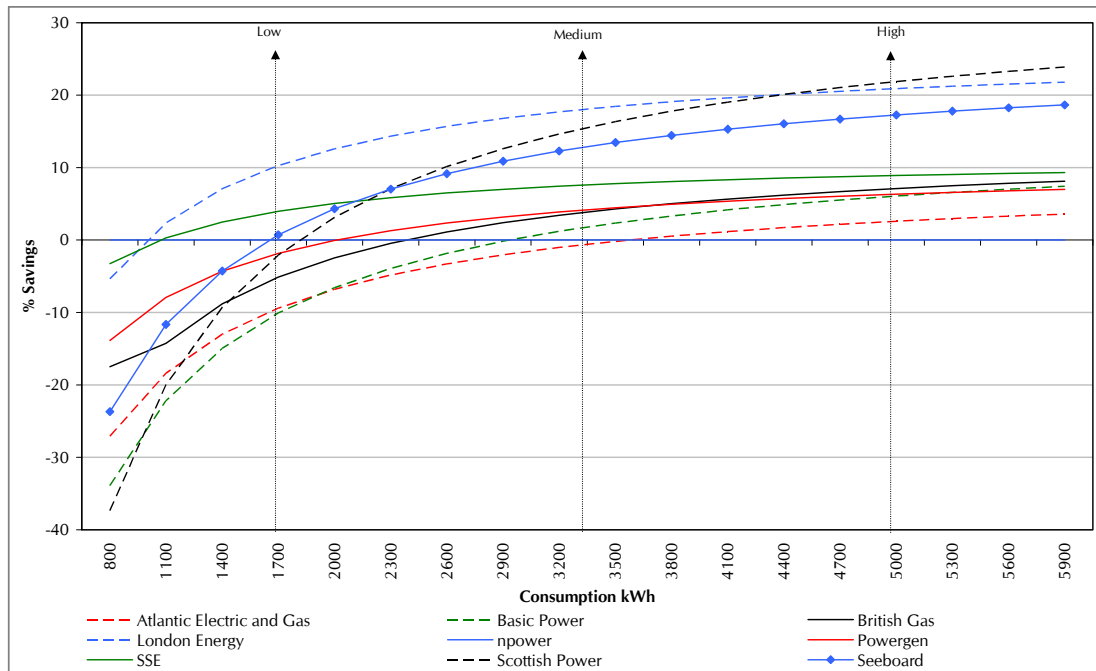
Source: Ofgem

Figure A8.5: Direct debit electricity savings in Midlands area



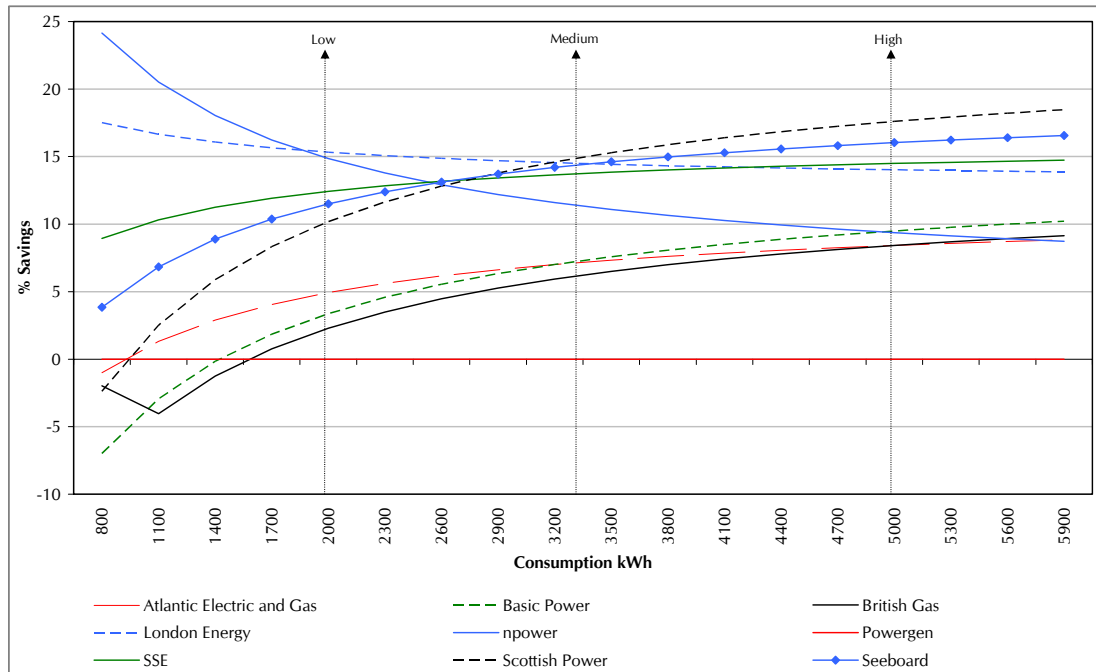
Source: Ofgem

Figure A8.6: Direct debit electricity savings in Northern area



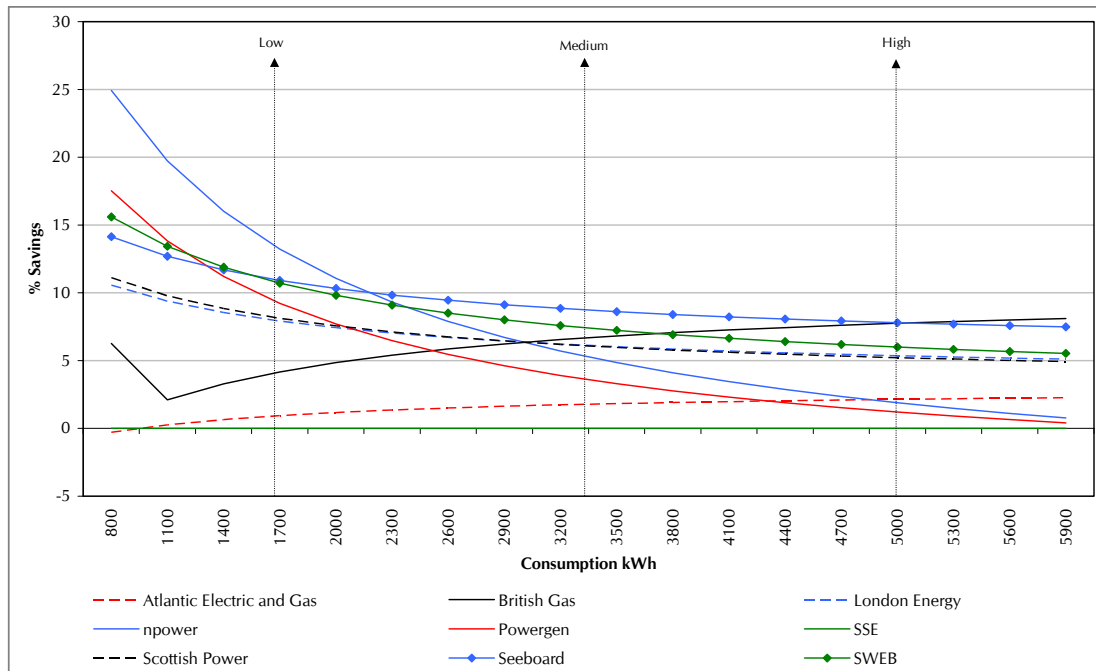
Source: Ofgem

Figure A8.7: Direct debit electricity savings in Norweb area



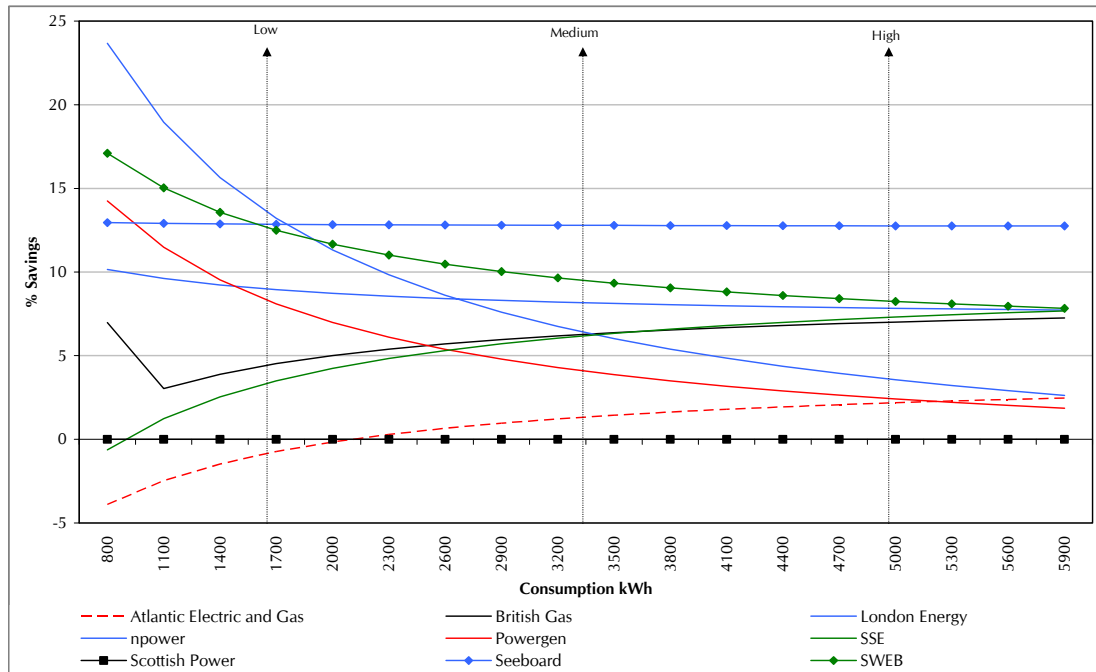
Source: Ofgem

Figure A8.8: Direct debit electricity savings in Scottish Hydro area



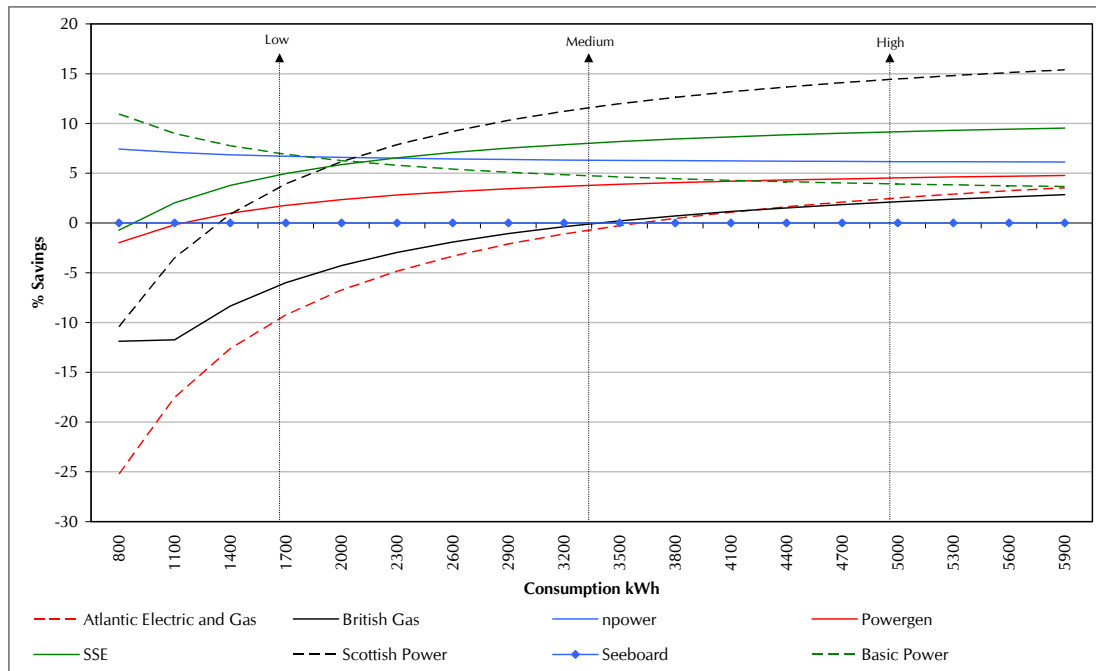
Source: Ofgem

Figure A8.9: Direct debit electricity savings in ScottishPower area



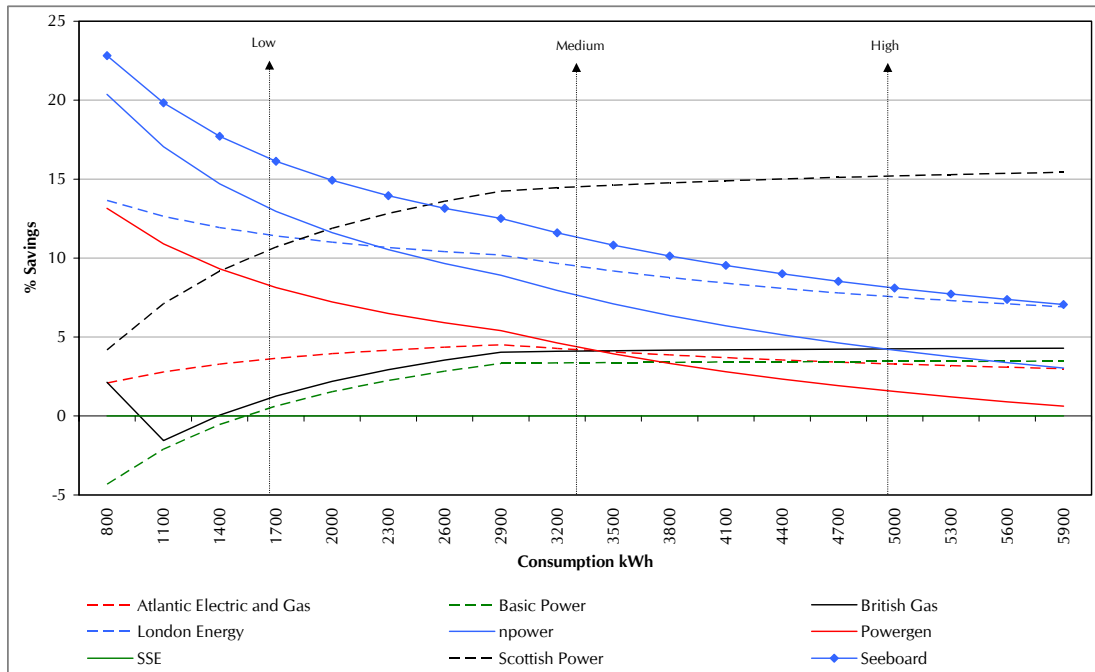
Source: Ofgem

Figure A8.10: Direct debit electricity savings in Seebord area



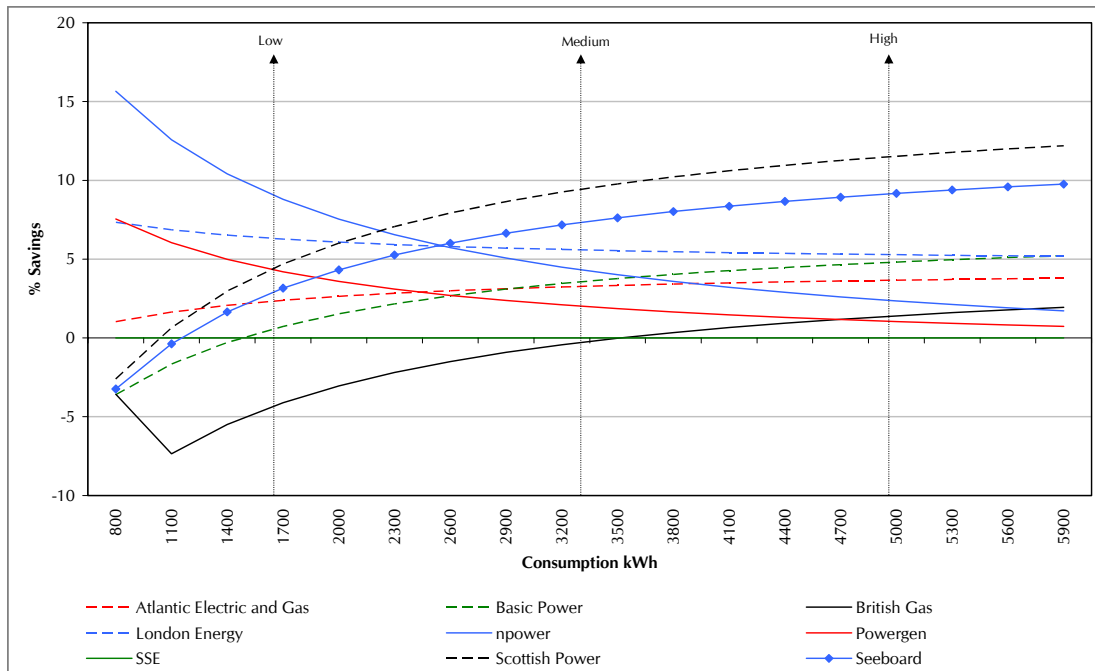
Source: Ofgem

Figure A8.11: Direct debit electricity savings in Southern area



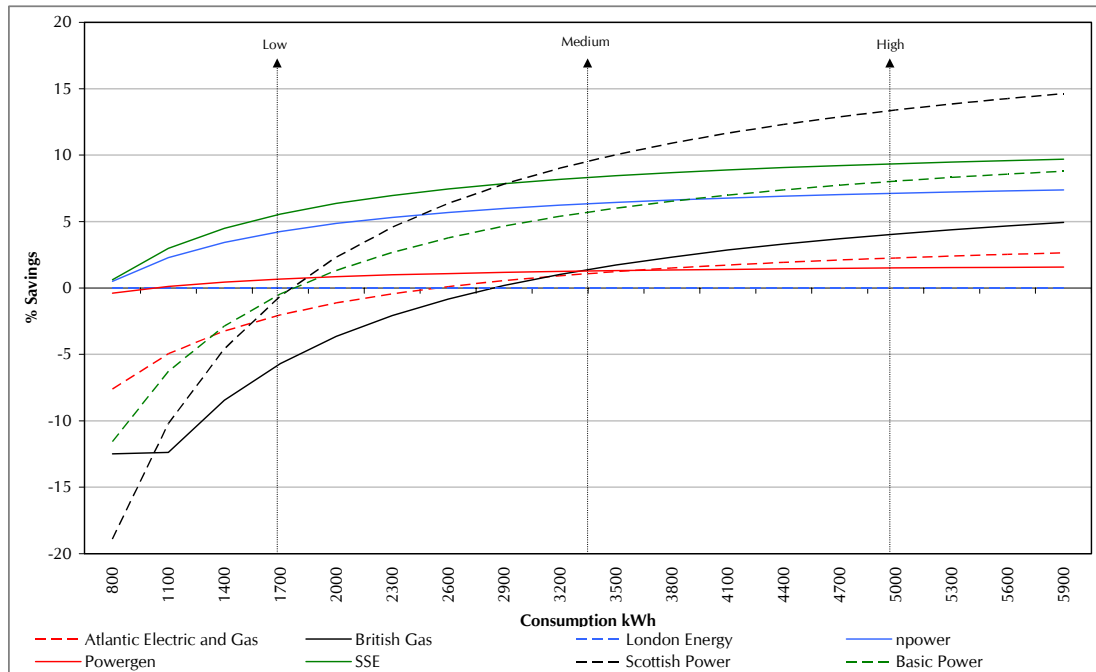
Source: Ofgem

Figure A8.12: Direct debit electricity savings in SWALEC area



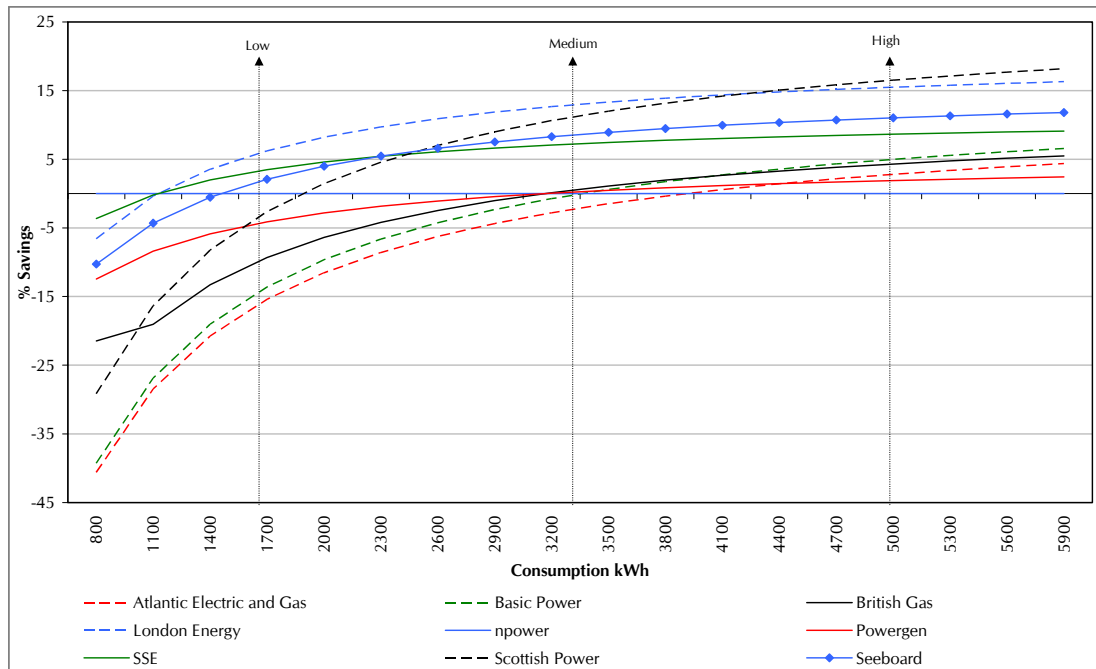
Source: Ofgem

Figure A8.13: Direct debit electricity savings in SWEB area



Source: Ofgem

Figure A8.14: Direct debit electricity savings in Yorkshire area



Source: Ofgem

- 1.2 The Tables below identify the maximum, minimum, median savings, and number of suppliers cheaper than the incumbent for low, medium and high consumption levels for all 14 ex-PES regions, for direct debit.

Table A8.1: Electricity direct debit savings - low consumption

| Region | Min saving (£) | Max saving (£) | Min saving (%) | Max saving (%) | Median saving (%) | Number of suppliers offering discount |
|-------------------------|----------------|----------------|----------------|----------------|-------------------|---------------------------------------|
| East Midlands | 5 | 13 | 4 | 9 | 6 | 5 |
| Eastern | 3 | 18 | 2 | 13 | 10 | 8 |
| London | 6 | 9 | 5 | 6 | 5 | 2 |
| Manweb | 1 | 19 | 1 | 12 | 6 | 7 |
| Midlands | 4 | 4 | 4 | 4 | 4 | 1 |
| Northern | 5 | 13 | 4 | 10 | 4 | 2 |
| Norweb | 1 | 23 | 0 | 16 | 9 | 8 |
| Scottish Hydro | 1 | 22 | 1 | 14 | 9 | 8 |
| ScottishPower | 5 | 22 | 3 | 14 | 9 | 7 |
| Seeboard | 2 | 9 | 2 | 7 | 5 | 5 |
| Southern | 1 | 25 | 0 | 16 | 9 | 8 |
| Swalec | 1 | 15 | 1 | 9 | 4 | 7 |
| SWEB | 1 | 8 | 1 | 5 | 2 | 3 |
| Yorkshire | 2 | 7 | 2 | 6 | 3 | 3 |
| Range of savings | £1-£6 | £4-£35 | 0%-5% | 4%-16% | 2%-10% | 1-8 |

Source: Ofgem

Table A8.2: Electricity direct debit savings - medium consumption

| Region | Min saving (£) | Max saving (£) | Min saving (%) | Max saving (%) | Median saving (%) | Number of suppliers offering discount |
|-------------------------|----------------|----------------|----------------|----------------|-------------------|---------------------------------------|
| East Midlands | 14 | 31 | 6 | 13 | 9 | 8 |
| Eastern | 14 | 38 | 6 | 16 | 12 | 8 |
| London | 1 | 19 | 0.2 | 8 | 6 | 6 |
| Manweb | 2 | 29 | 1 | 11 | 5 | 8 |
| Midlands | 4 | 28 | 2 | 12 | 8 | 7 |
| Northern | 4 | 45 | 2 | 18 | 8 | 7 |
| Norweb | 15 | 37 | 6 | 15 | 13 | 8 |
| Scottish Hydro | 5 | 24 | 2 | 9 | 6 | 8 |
| ScottishPower | 4 | 35 | 1 | 13 | 6 | 8 |
| Seeboard | 9 | 27 | 4 | 11 | 6 | 5 |
| Southern | 9 | 37 | 3 | 15 | 6 | 8 |
| Swalec | 6 | 26 | 2 | 9 | 4 | 7 |
| SWEB | 3 | 25 | 1 | 9 | 3 | 7 |
| Yorkshire | 1 | 31 | 0.2 | 13 | 8 | 6 |
| Range of savings | £1-£15 | £19-£45 | 0%-6% | 8%-18% | 3%-13% | 5-8 |

Source: Ofgem

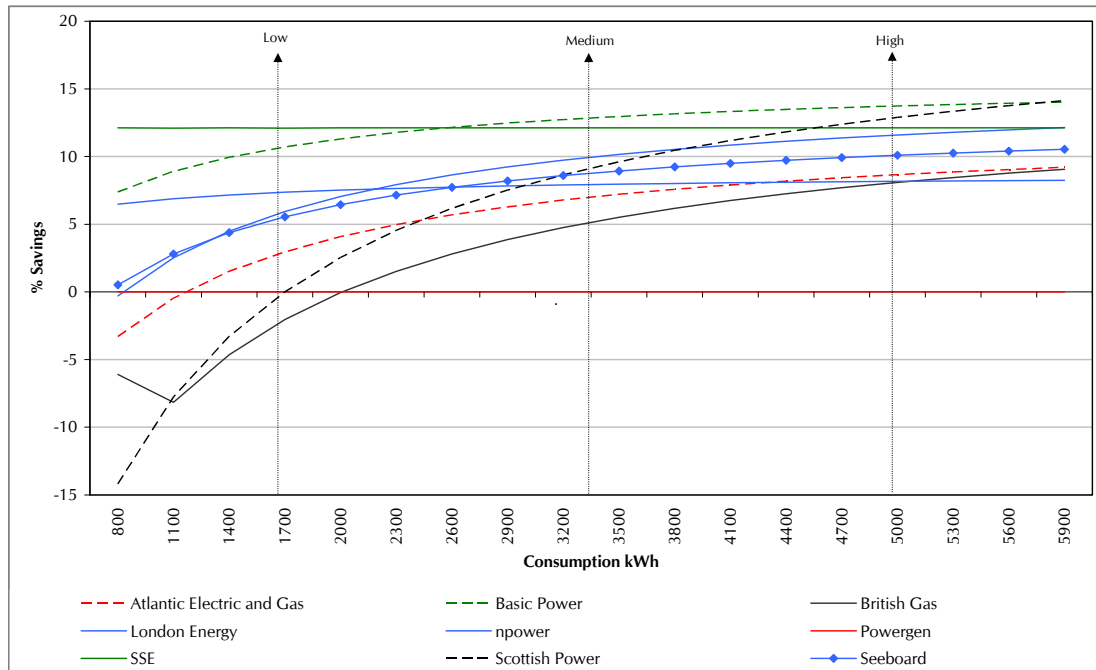
Table A8.3: Electricity direct debit savings - high consumption

| Region | Min saving (£) | Max saving (£) | Min saving (%) | Max saving (%) | Median saving (%) | Number of suppliers offering discount |
|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------------------|--|
| East Midlands | 27 | 54 | 8 | 16 | 10 | 8 |
| Eastern | 20 | 59 | 6 | 17 | 11 | 9 |
| London | 1 | 35 | 0 | 10 | 7 | 7 |
| Manweb | 6 | 45 | 2 | 12 | 5 | 8 |
| Midlands | 10 | 68 | 3 | 19 | 9 | 8 |
| Northern | 9 | 81 | 3 | 22 | 8 | 8 |
| Norweb | 30 | 63 | 8 | 18 | 12 | 8 |
| Scottish Hydro | 5 | 30 | 1 | 8 | 5 | 8 |
| ScottishPower | 9 | 50 | 2 | 13 | 7 | 8 |
| Seeboard | 7 | 50 | 2 | 14 | 5 | 7 |
| Southern | 6 | 54 | 2 | 15 | 4 | 8 |
| Swalec | 4 | 46 | 1 | 11 | 4 | 8 |
| SWEB | 6 | 51 | 1 | 13 | 6 | 7 |
| Yorkshire | 7 | 58 | 2 | 16 | 7 | 8 |
| Range of savings | £1-£30 | £30-£81 | 0%-8% | 8%-22% | 4%-12% | 7-8 |

Source: Ofgem

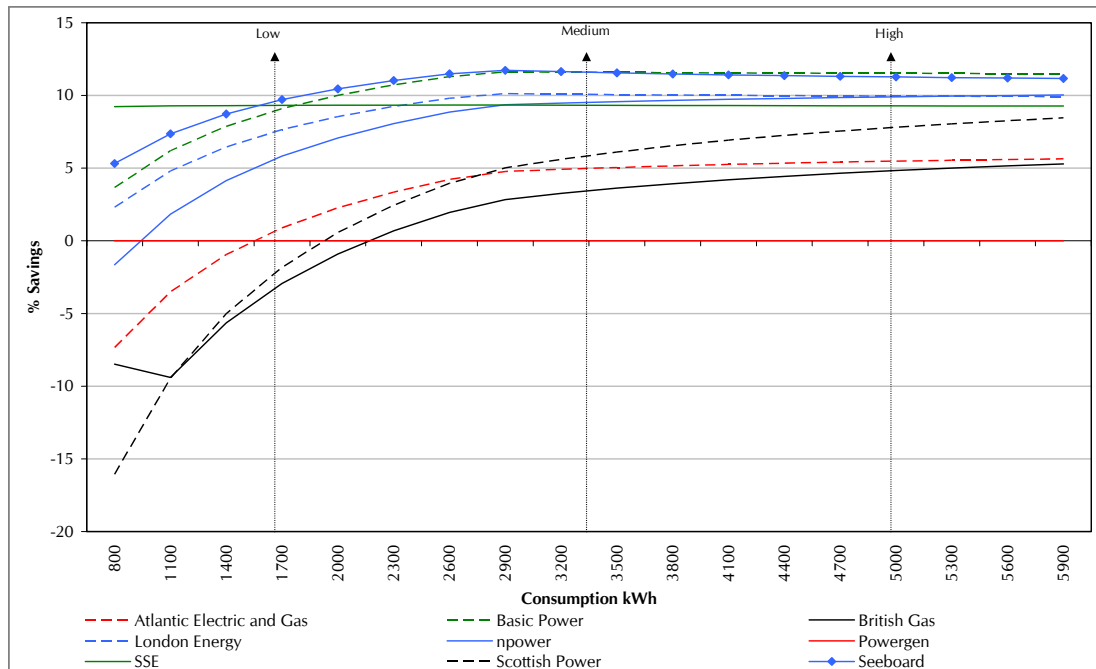
- 1.3 The following figures illustrate standard credit savings in electricity for all 14 supply service areas.

Figure A8.15: Standard credit electricity savings in East Midlands area



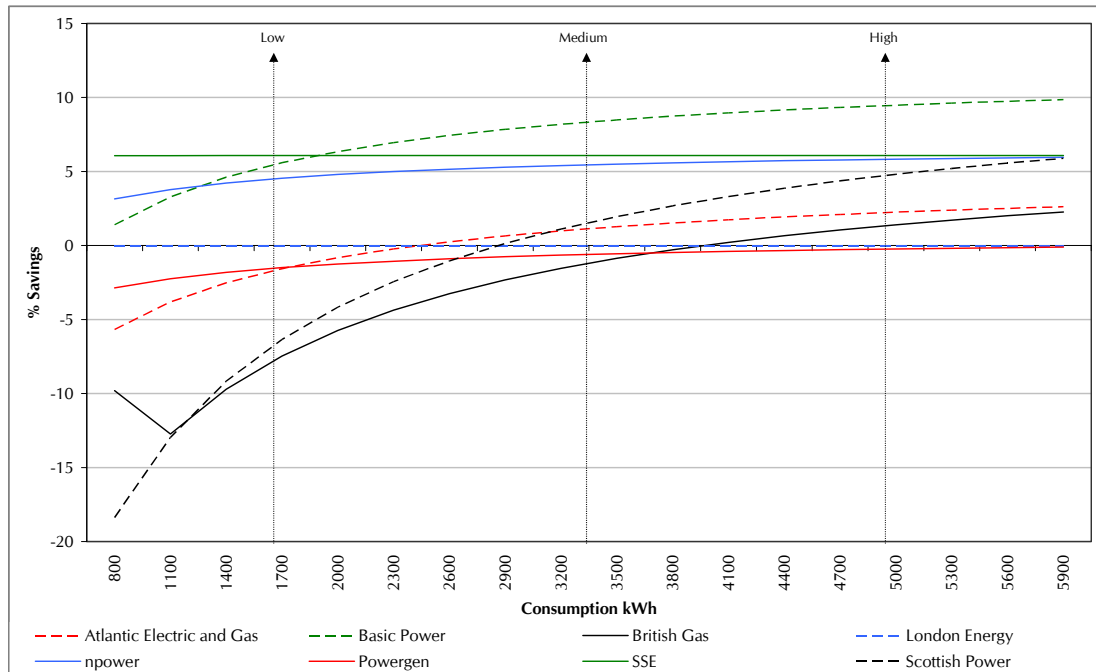
Source: Ofgem

Figure A8.16: Standard credit electricity savings in Eastern area



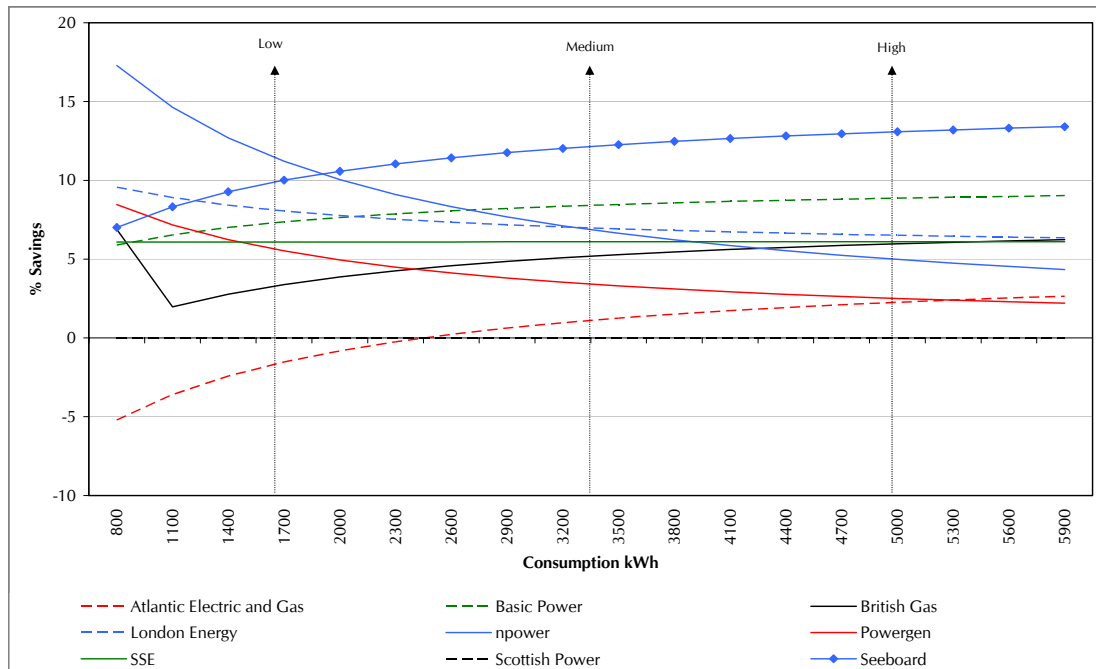
Source: Ofgem

Figure A8.17: Standard credit electricity savings in London area



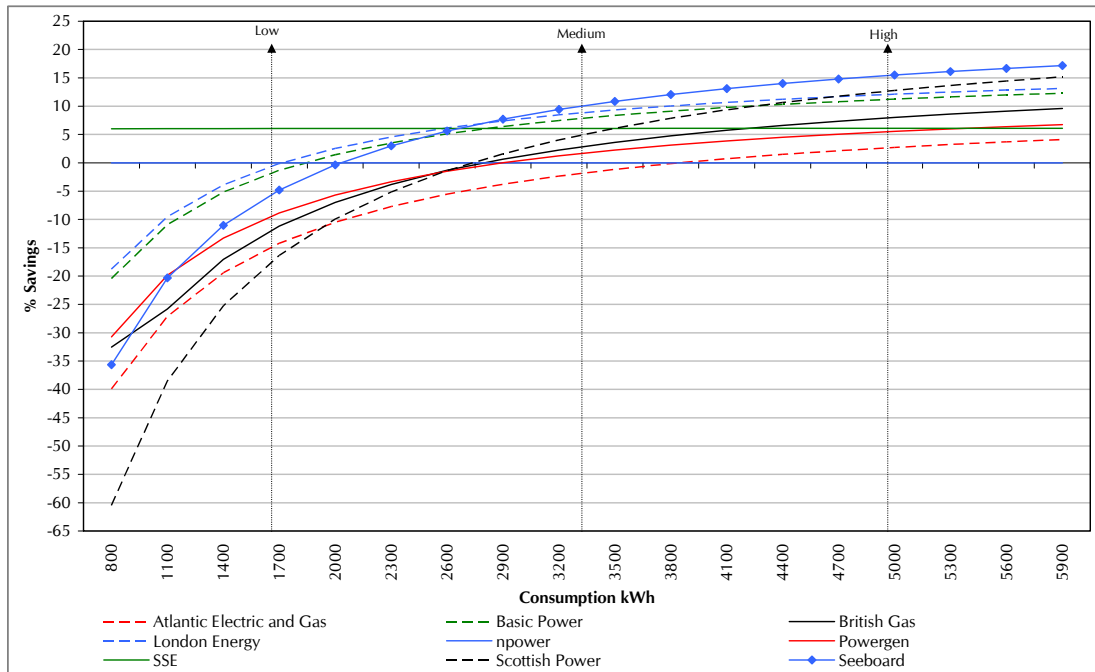
Source: Ofgem

Figure A8.18: Standard credit electricity savings in Manweb area



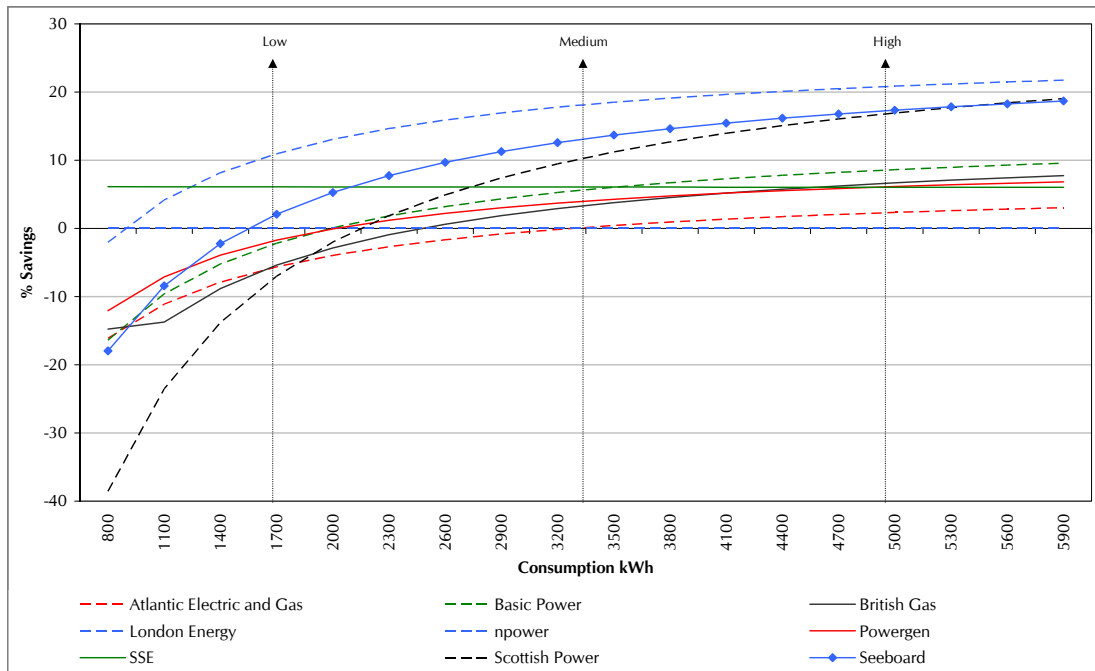
Source: Ofgem

Figure A8.19: Standard credit electricity savings in Midlands area



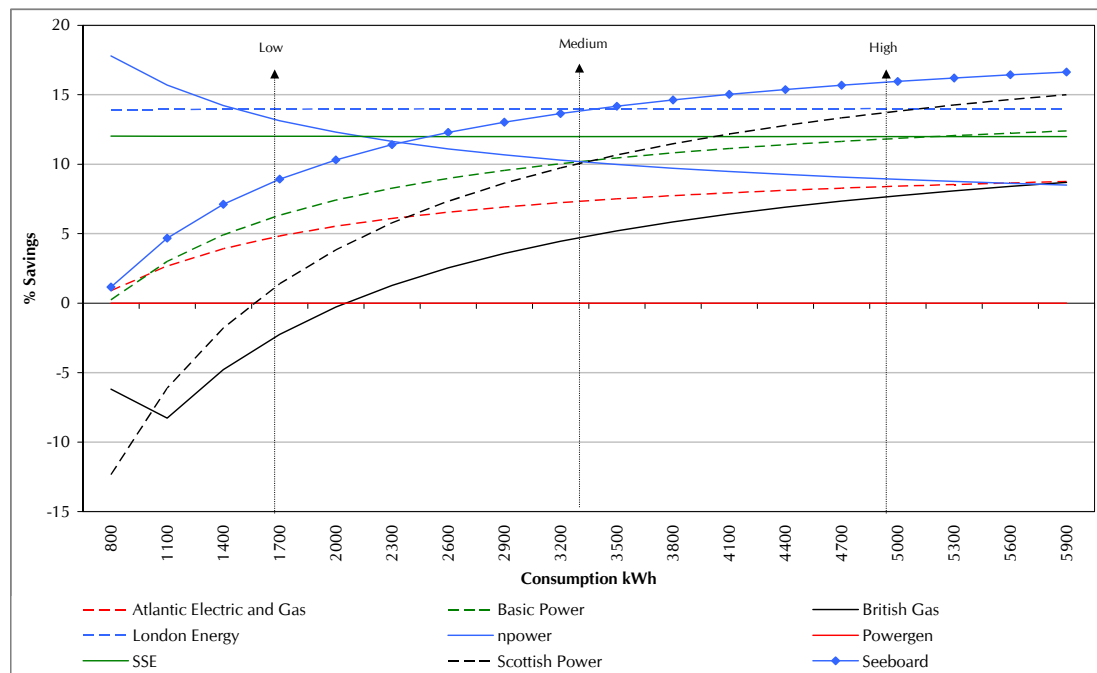
Source: Ofgem

Figure A8.20: Standard credit electricity savings in Northern area



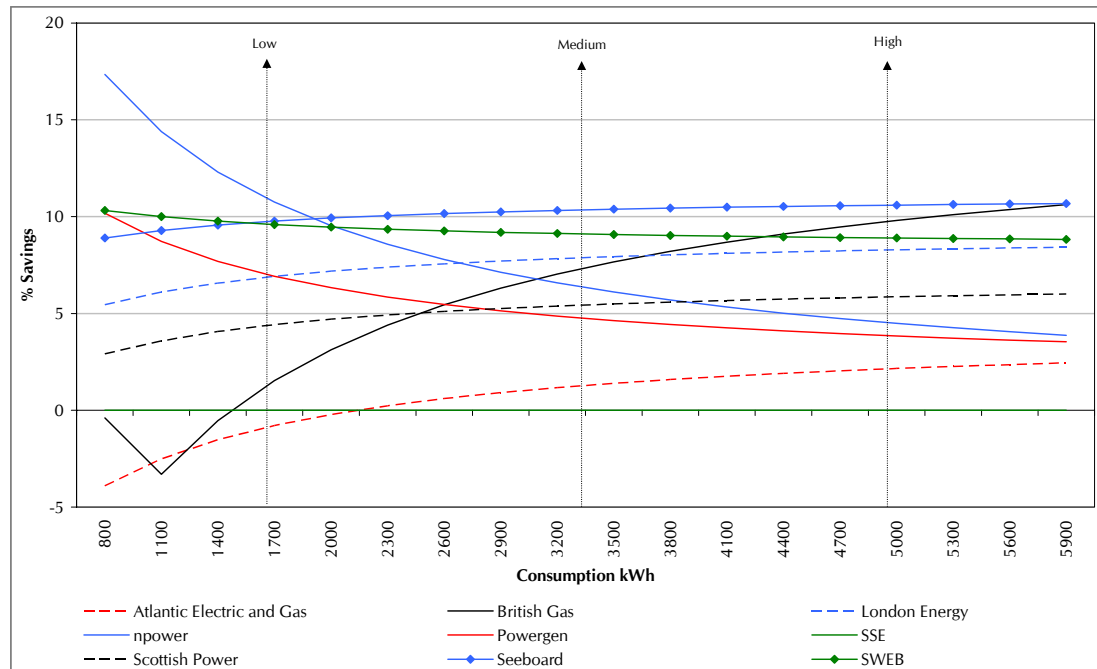
Source: Ofgem

Figure A8.21: Standard credit electricity savings in Norweb area



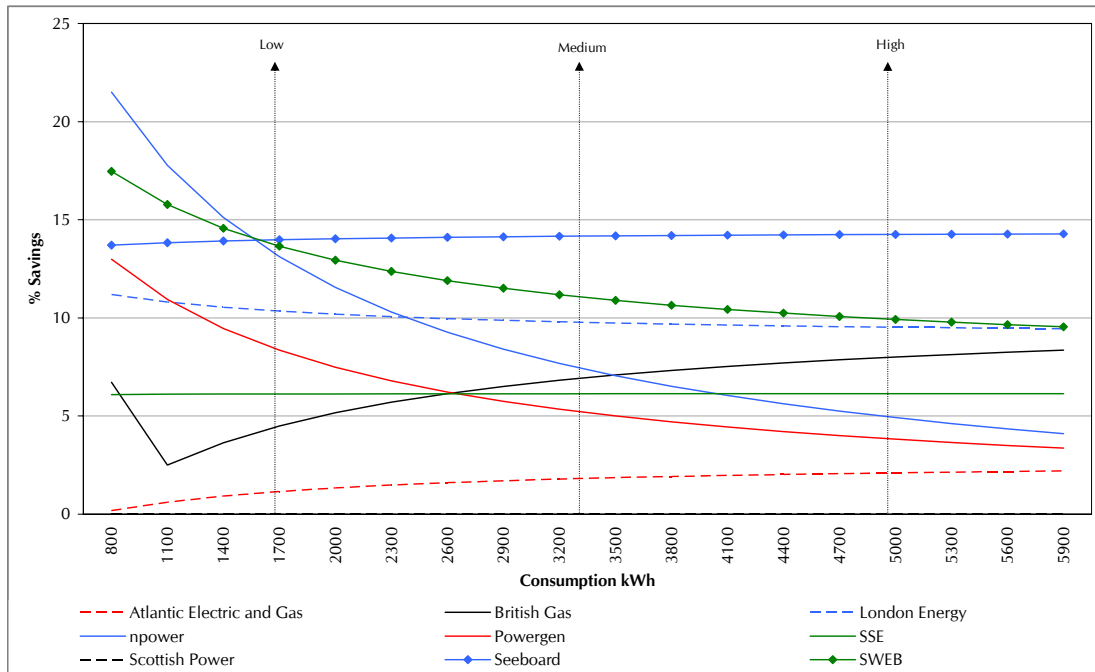
Source: Ofgem

Figure A8.22: Standard credit electricity savings in Scottish Hydro area



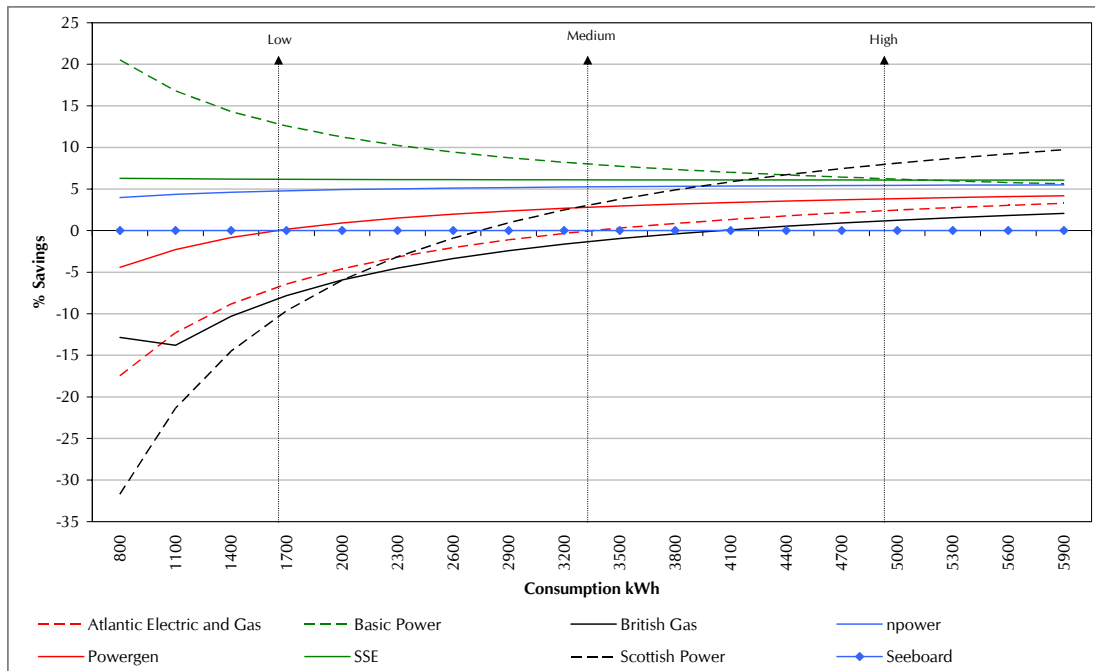
Source: Ofgem

Figure A8.23: Standard credit electricity savings in ScottishPower area



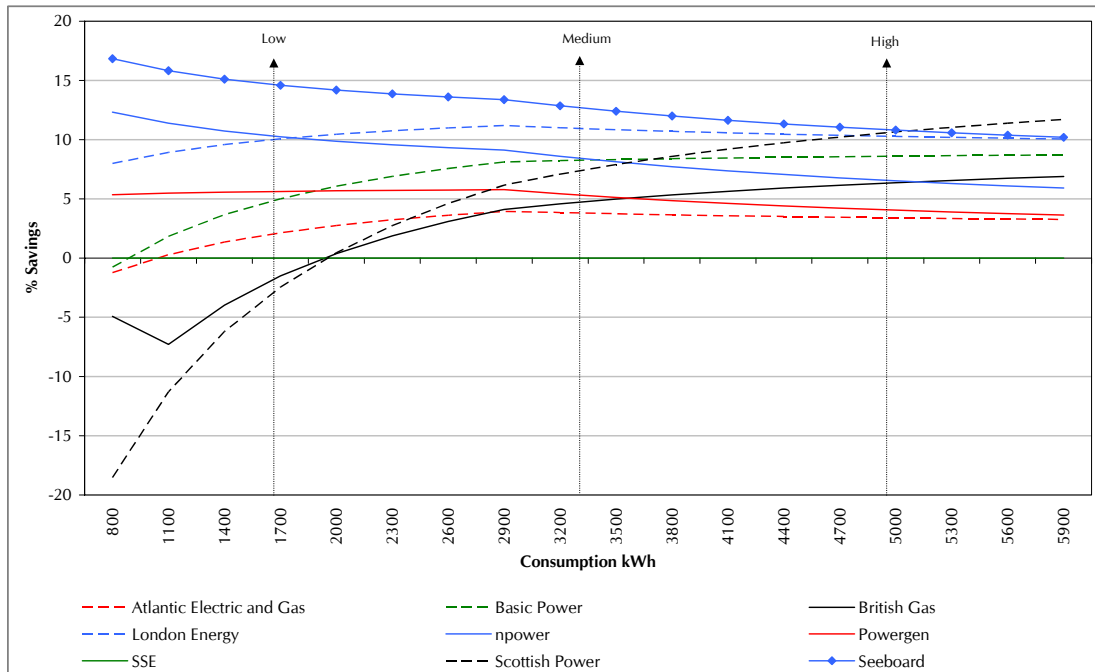
Source: Ofgem

Figure A8.24: Standard credit electricity savings in Seeboard area



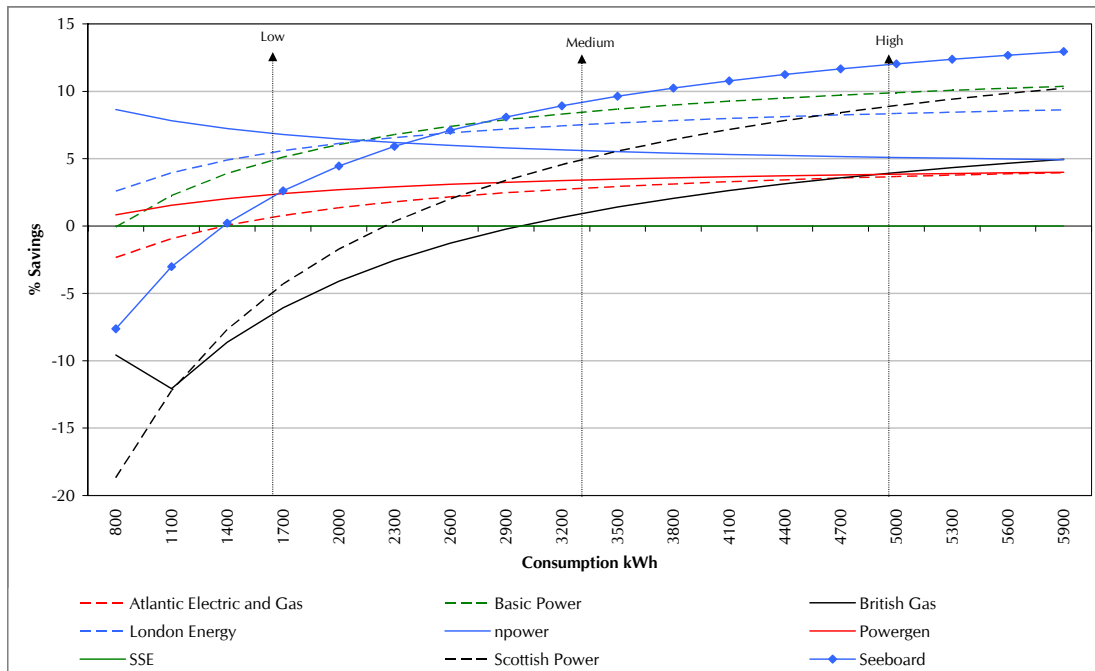
Source: Ofgem

Figure A8.25: Standard credit electricity savings in Southern area



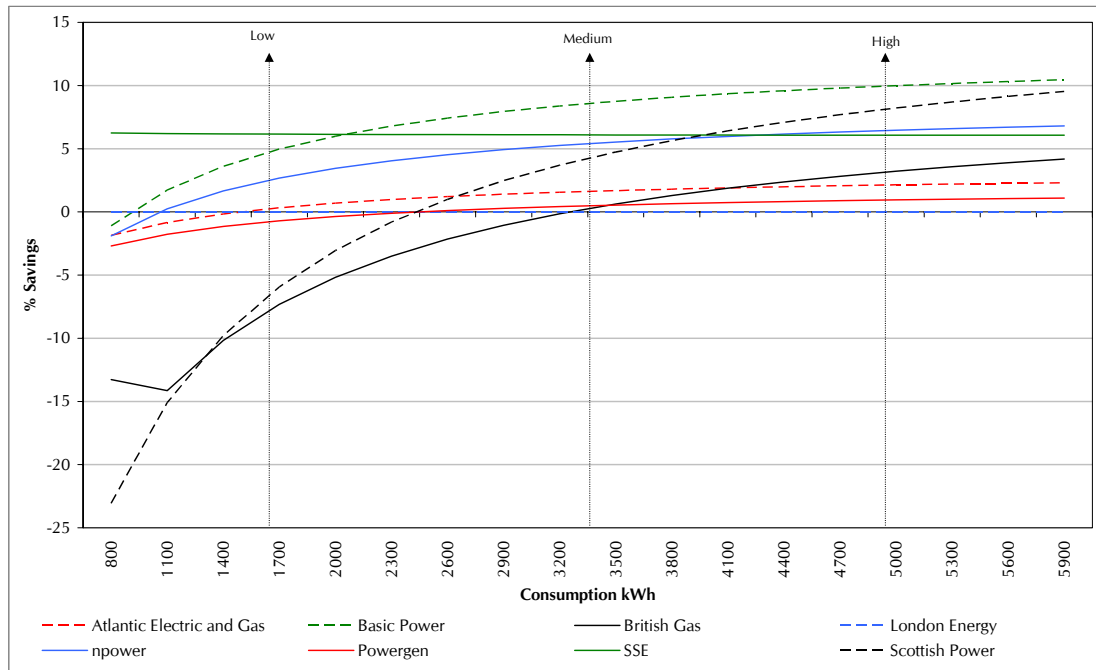
Source: Ofgem

Figure A8.26: Standard credit electricity savings in SWALEC area



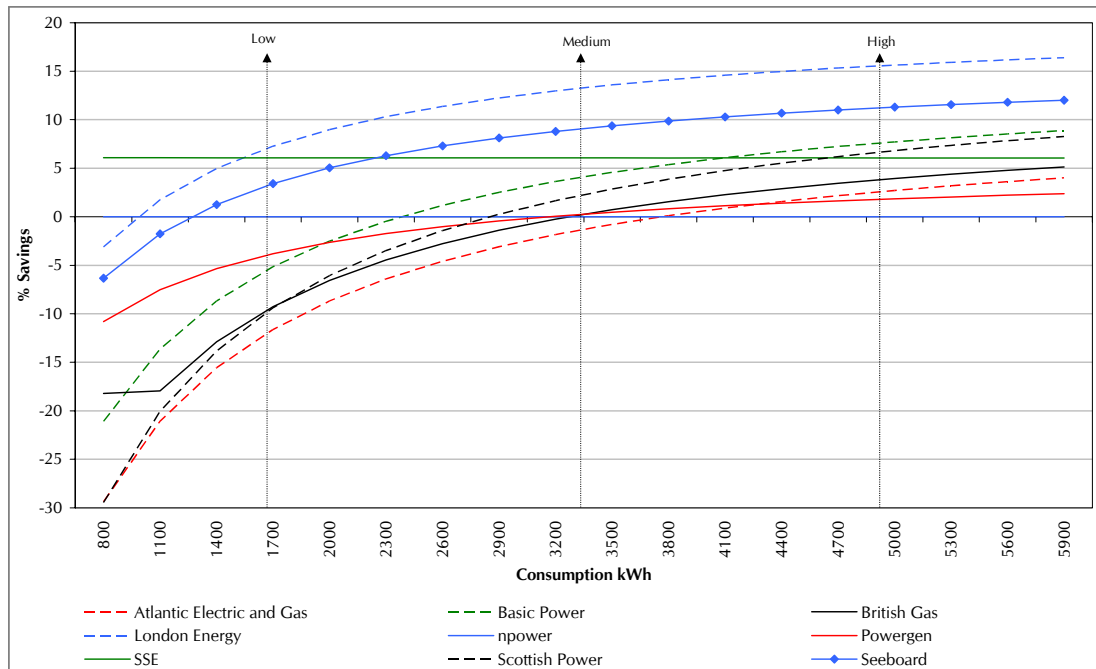
Source: Ofgem

Figure A8.27: Standard credit electricity savings in SWEB area



Source: Ofgem

Figure A8.28: Standard credit electricity savings in Yorkshire area



Source: Ofgem

- 1.4 The tables below identify the maximum, minimum, median savings, and number of suppliers cheaper than the incumbent for low, medium and high consumption levels for all 14 ex-PES regions, for standard credit.

Table A8.4: Electricity standard credit savings - low consumption

| Region | Min saving (£) | Max saving (£) | Min saving (%) | Max saving (%) | Median saving (%) | Number of suppliers offering discount |
|-------------------------|----------------|----------------|----------------|----------------|-------------------|---------------------------------------|
| East Midlands | 4 | 18 | 3 | 12 | 7 | 6 |
| Eastern | 1 | 13 | 1 | 10 | 8 | 6 |
| London | 8 | 9 | 5 | 6 | 5 | 3 |
| Manweb | 6 | 19 | 3 | 11 | 7 | 7 |
| Midlands | 8 | 8 | 6 | 6 | 6 | 1 |
| Northern | 2 | 15 | 1 | 11 | 4 | 3 |
| Norweb | 1 | 21 | 1 | 14 | 9 | 7 |
| Scottish Hydro | 2 | 18 | 1 | 11 | 7 | 7 |
| ScottishPower | 2 | 24 | 1 | 14 | 9 | 8 |
| Seeboard | 0 | 17 | 0 | 13 | 5 | 4 |
| Southern | 3 | 23 | 2 | 15 | 8 | 6 |
| Swalec | 1 | 12 | 1 | 7 | 4 | 6 |
| SWEB | 0 | 9 | 0 | 6 | 4 | 4 |
| Yorkshire | 4 | 10 | 3 | 7 | 6 | 3 |
| Range of savings | £0-£8 | £8-£24 | 0%-6% | 6%-15% | 4%-9% | 1-8 |

Source: Ofgem

Table A8.5: Electricity standard credit savings - medium consumption

| Region | Min saving (£) | Max saving (£) | Min saving (%) | Max saving (%) | Median saving (%) | Number of suppliers offering discount |
|-------------------------|----------------|----------------|----------------|----------------|-------------------|---------------------------------------|
| East Midlands | 13 | 32 | 5 | 13 | 9 | 8 |
| Eastern | 8 | 29 | 3 | 12 | 9 | 8 |
| London | 3 | 21 | 1 | 8 | 5 | 5 |
| Manweb | 3 | 34 | 1 | 12 | 7 | 8 |
| Midlands | 4 | 25 | 2 | 10 | 6 | 7 |
| Northern | 0 | 47 | 0 | 18 | 6 | 8 |
| Norweb | 12 | 36 | 5 | 14 | 10 | 8 |
| Scottish Hydro | 4 | 29 | 1 | 10 | 7 | 8 |
| ScottishPower | 5 | 41 | 2 | 14 | 7 | 8 |
| Seeboard | 7 | 20 | 3 | 8 | 5 | 5 |
| Southern | 10 | 34 | 4 | 13 | 8 | 8 |
| Swalec | 3 | 27 | 1 | 9 | 5 | 8 |
| SWEB | 0 | 23 | 0 | 9 | 4 | 7 |
| Yorkshire | 0 | 33 | 0 | 13 | 4 | 7 |
| Range of savings | £0-£13 | £20-£47 | 0%-5% | 8%-18% | 4%-10% | 5-8 |

Source: Ofgem

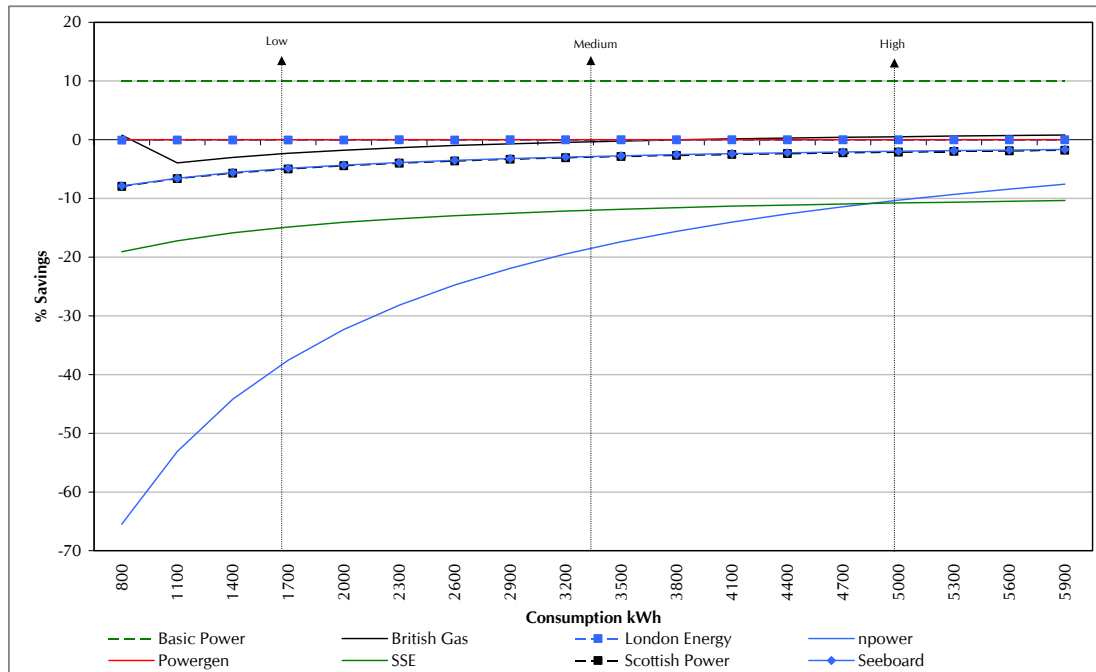
Table A8.6: Electricity standard credit savings - high consumption

| Region | Min saving (£) | Max saving (£) | Min saving (%) | Max saving (%) | Median saving (%) | Number of suppliers offering discount |
|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------------------|--|
| East Midlands | 29 | 49 | 8 | 14 | 11 | 8 |
| Eastern | 17 | 40 | 5 | 12 | 10 | 8 |
| London | 5 | 34 | 1 | 9 | 5 | 6 |
| Manweb | 9 | 51 | 2 | 13 | 6 | 8 |
| Midlands | 10 | 58 | 3 | 15 | 10 | 8 |
| Northern | 9 | 80 | 2 | 21 | 8 | 8 |
| Norweb | 28 | 59 | 8 | 16 | 12 | 8 |
| Scottish Hydro | 9 | 42 | 2 | 11 | 7 | 8 |
| ScottishPower | 9 | 58 | 2 | 14 | 7 | 8 |
| Seeboard | 4 | 28 | 1 | 8 | 5 | 7 |
| Southern | 13 | 41 | 3 | 11 | 8 | 8 |
| Swalec | 15 | 50 | 4 | 12 | 7 | 8 |
| SWEB | 4 | 39 | 1 | 10 | 6 | 7 |
| Yorkshire | 7 | 56 | 2 | 16 | 6 | 8 |
| Range of savings | £4-£29 | £28-£80 | 1%-8% | 8%-21% | 5%-12% | 6-8 |

Source: Ofgem

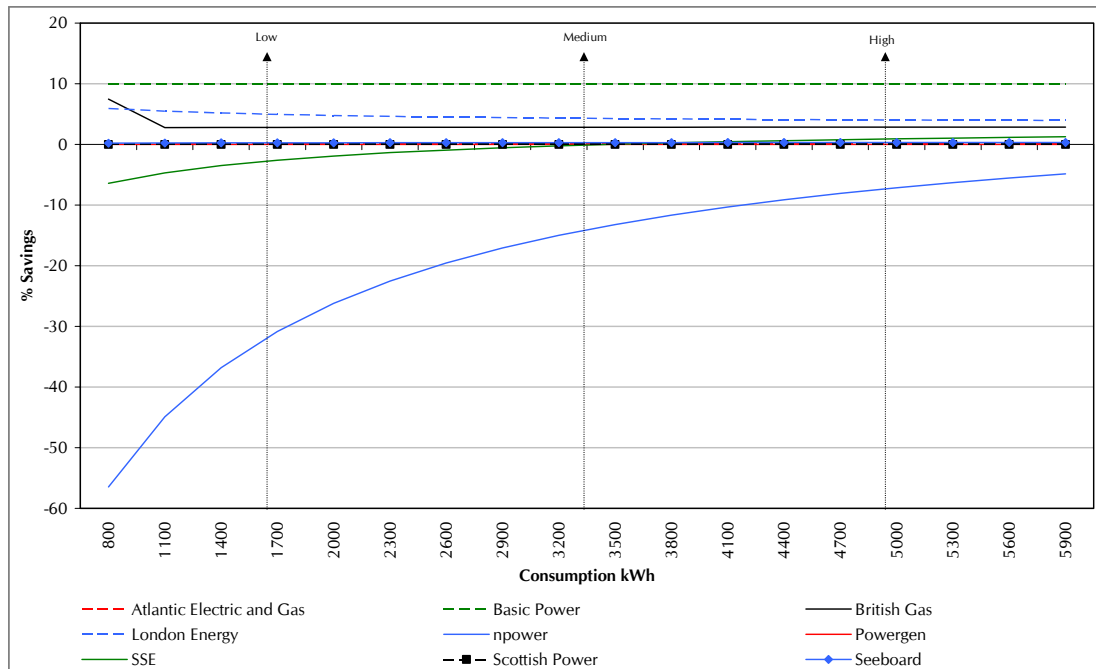
- 1.5 The following figures illustrate prepayment savings in electricity for all 14 supply service areas.

Figure A8.29: Prepayment electricity savings in East Midlands area



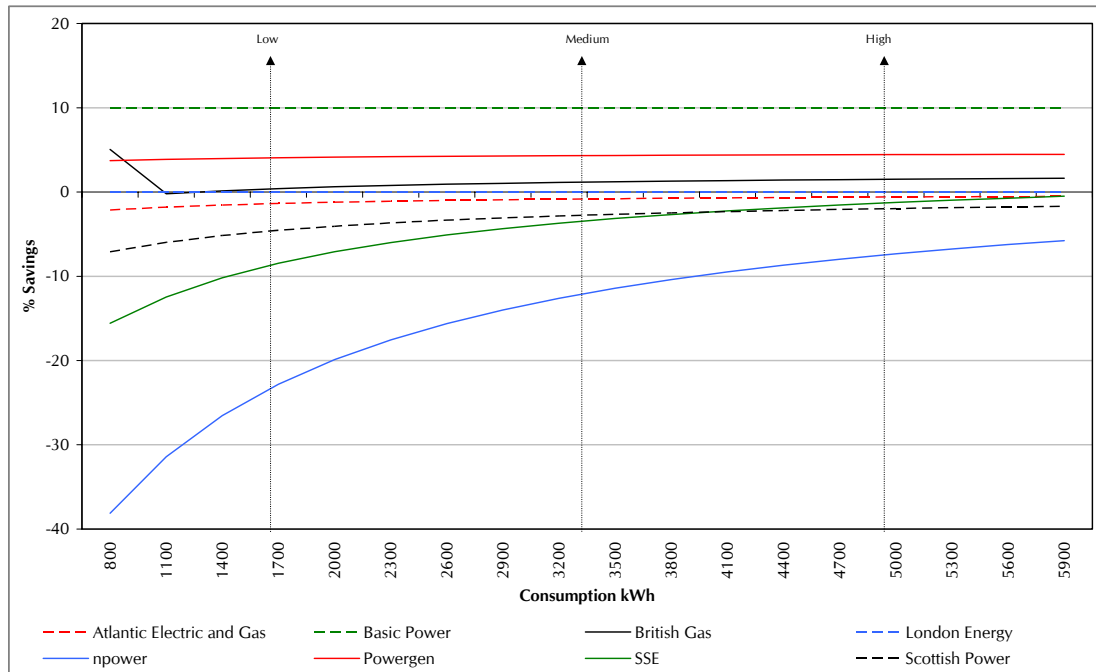
Source: Ofgem

Figure A8.30: Prepayment electricity savings in Eastern area



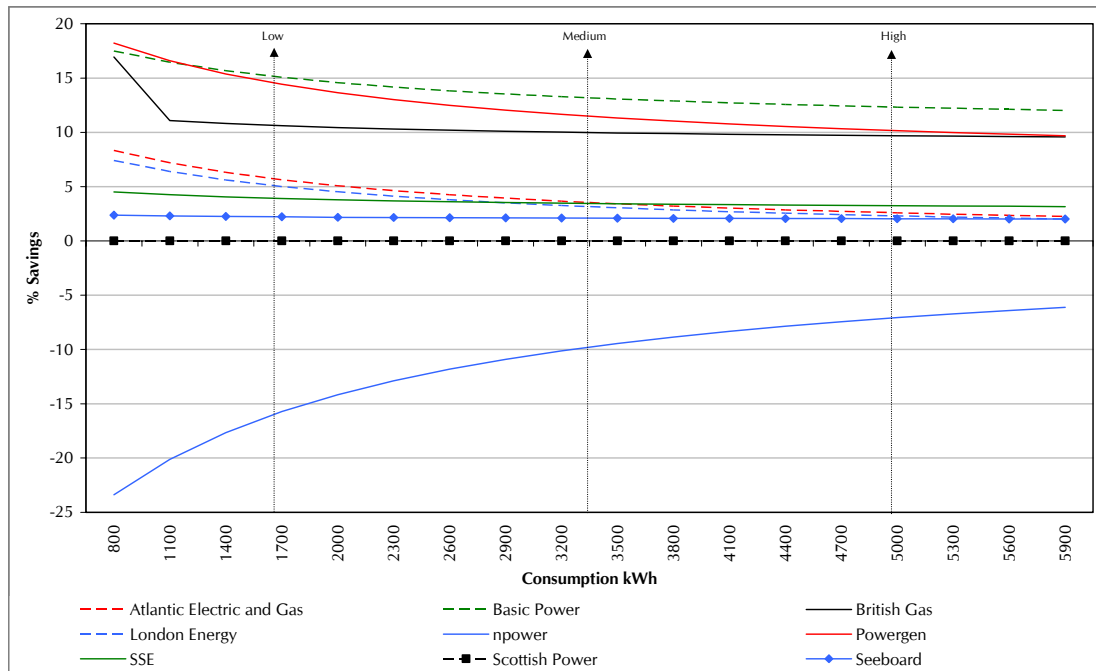
Source: Ofgem

Figure A8.31: Prepayment electricity savings in London area



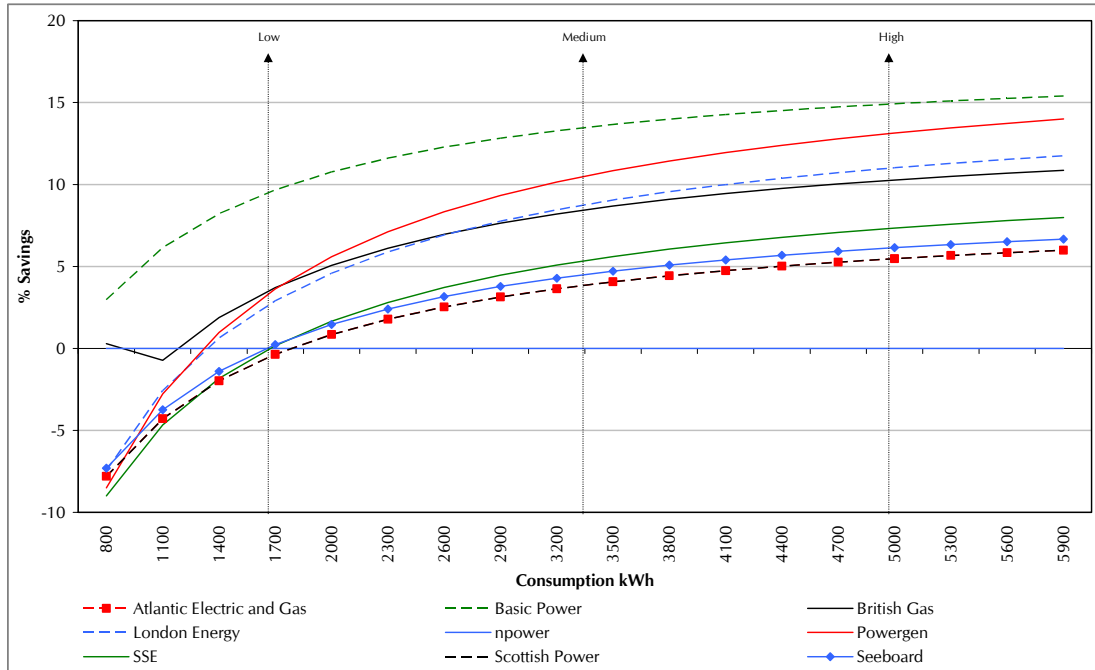
Source: Ofgem

Figure A8.32: Prepayment electricity savings in Manweb area



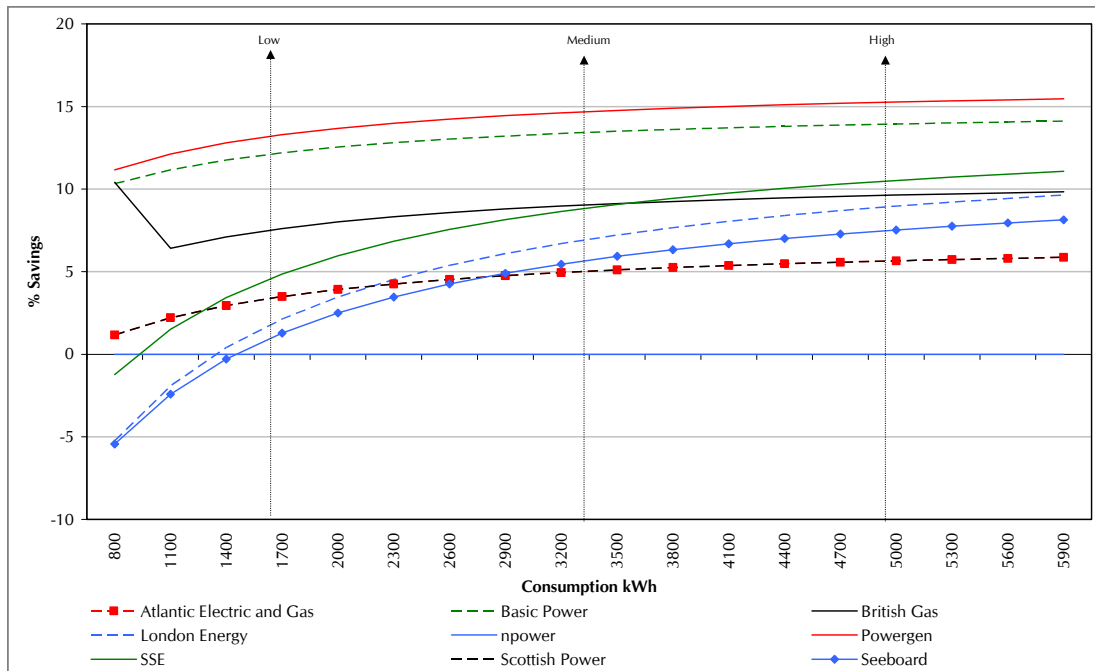
Source: Ofgem

Figure A8.33: Prepayment electricity savings in Midlands area



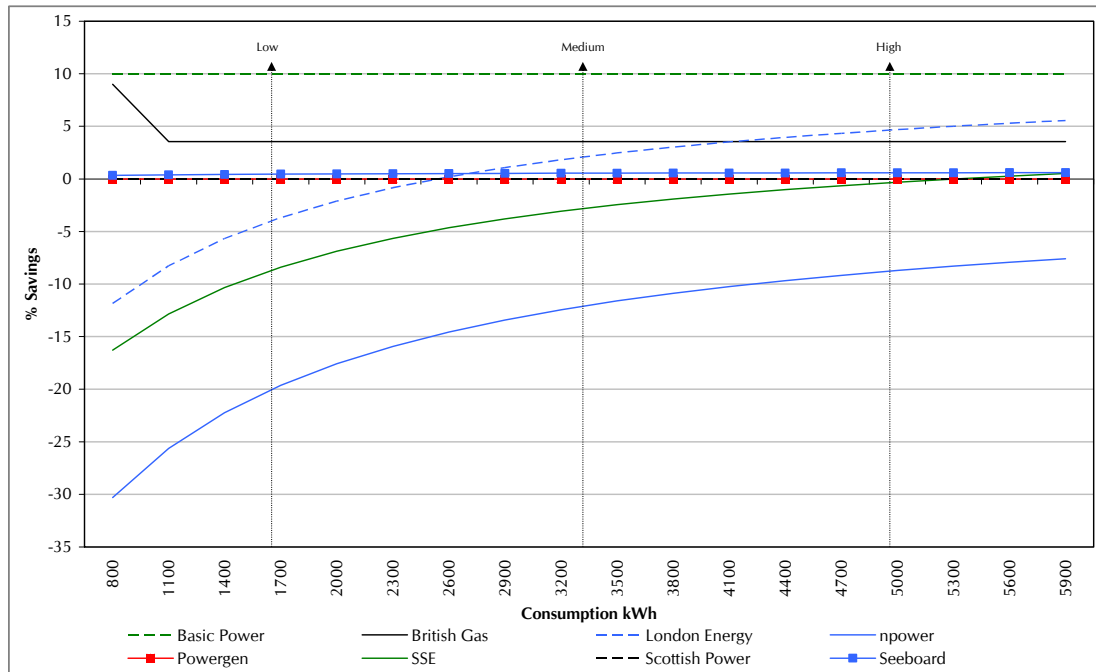
Source: Ofgem

Figure A8.34: Prepayment electricity savings in Northern area



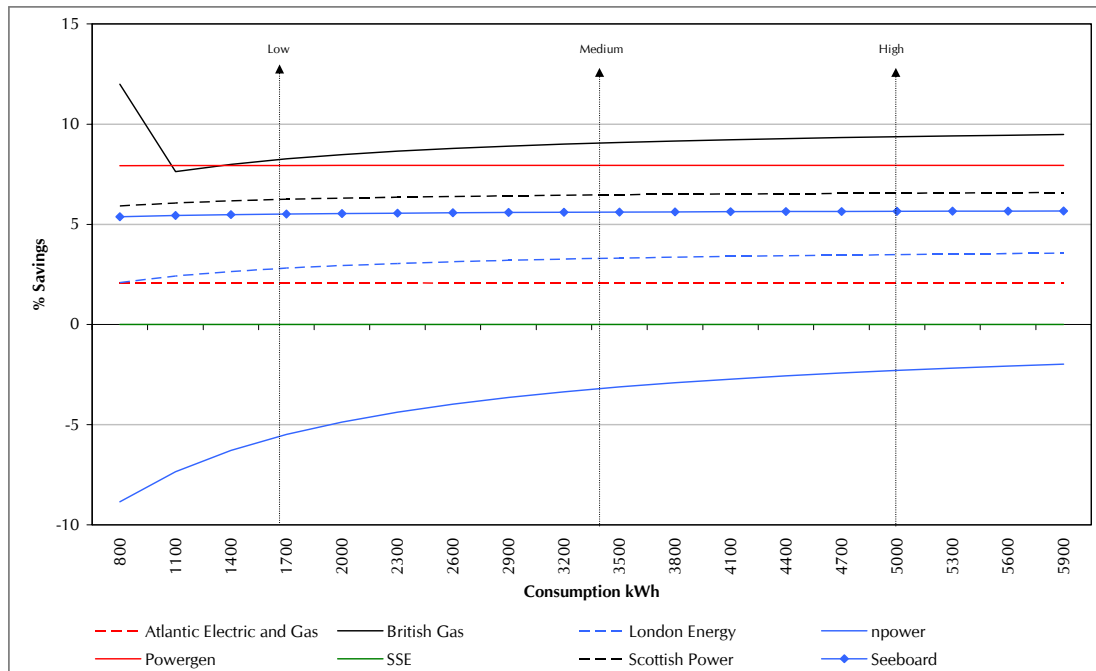
Source: Ofgem

Figure A8.35: Prepayment electricity savings in Norweb area



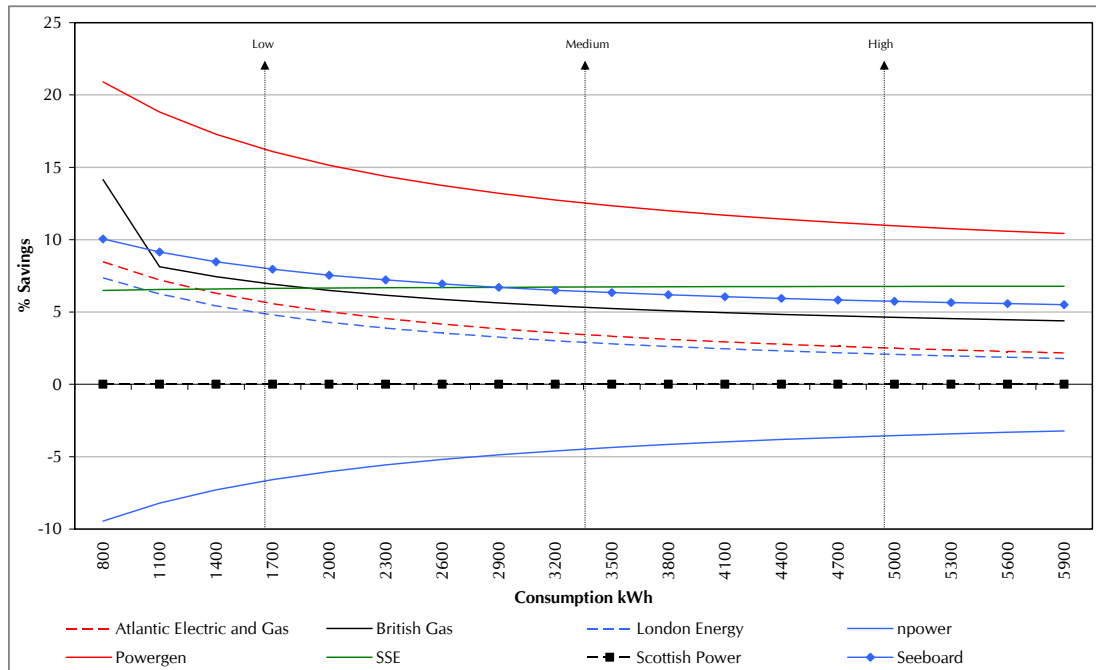
Source: Ofgem

Figure A8.36: Prepayment electricity savings in Scottish Hydro area



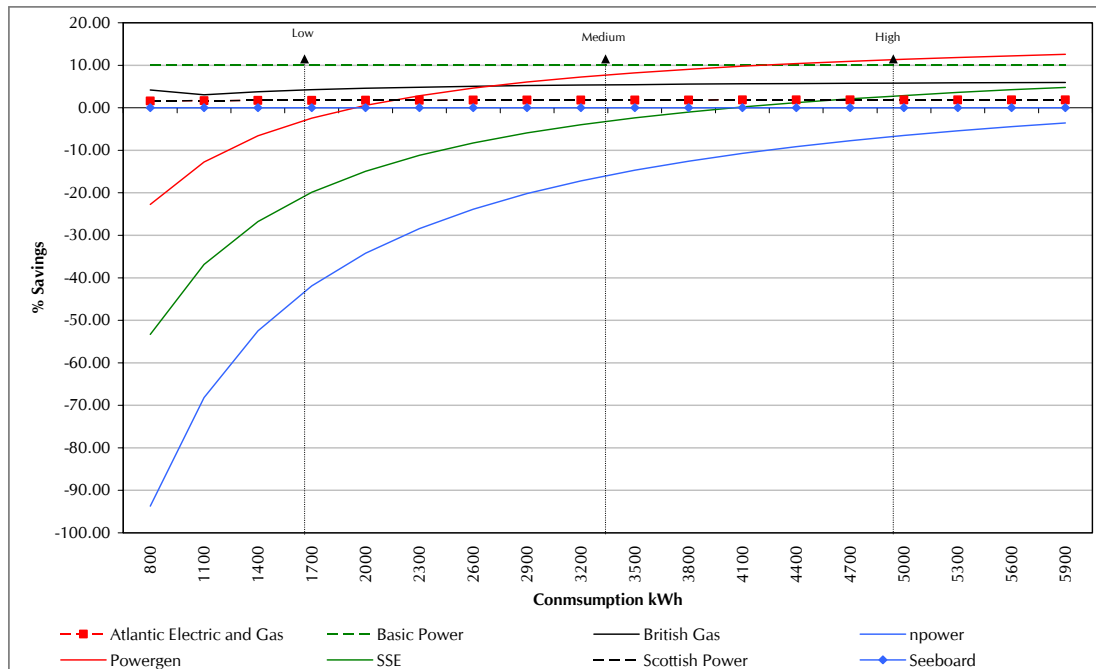
Source: Ofgem

Figure A8.37: Prepayment electricity savings in ScottishPower area



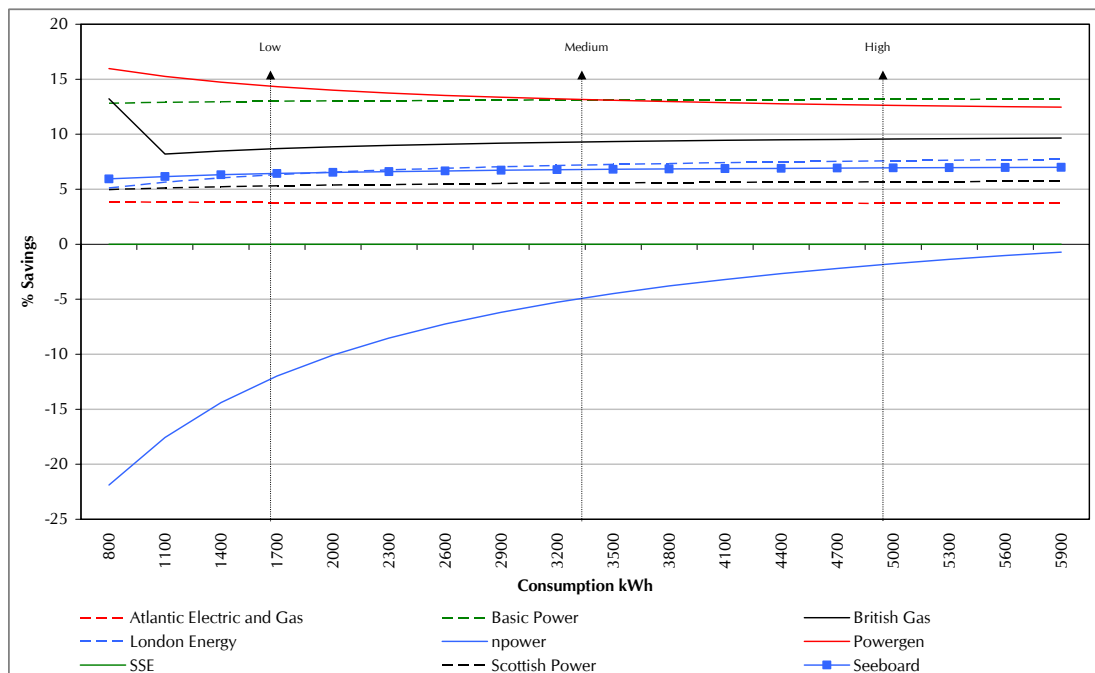
Source: Ofgem

Figure A8.38: Prepayment electricity savings in Seeboard area



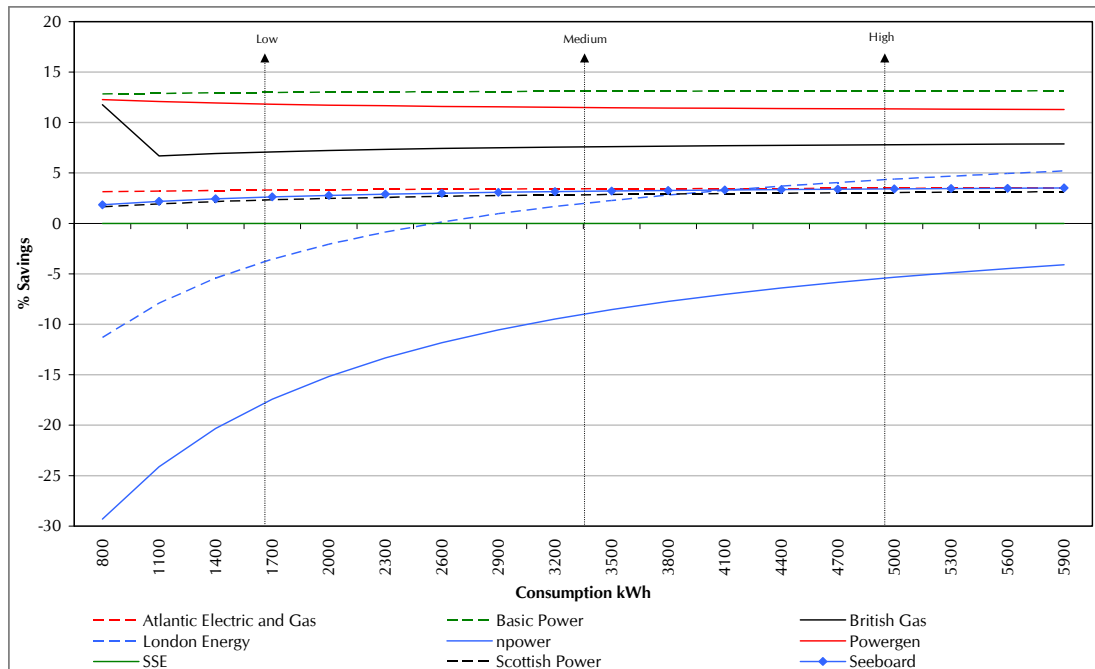
Source: Ofgem

Figure A8.39: Prepayment electricity savings in Southern area



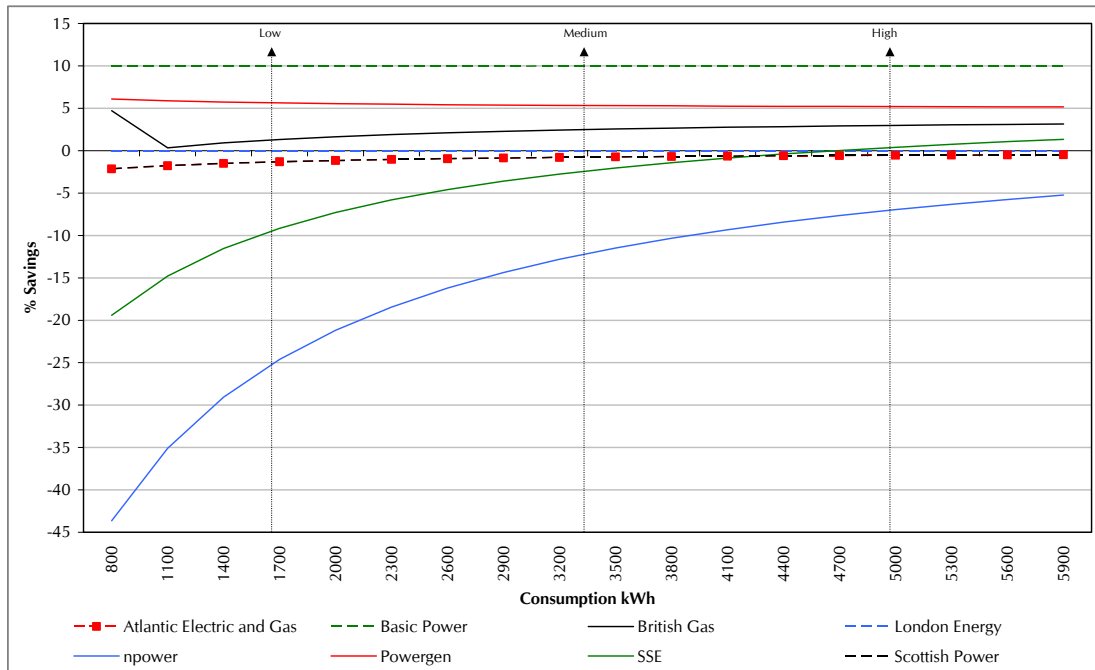
Source: Ofgem

Figure A8.40: Prepayment electricity savings in SWALEC area



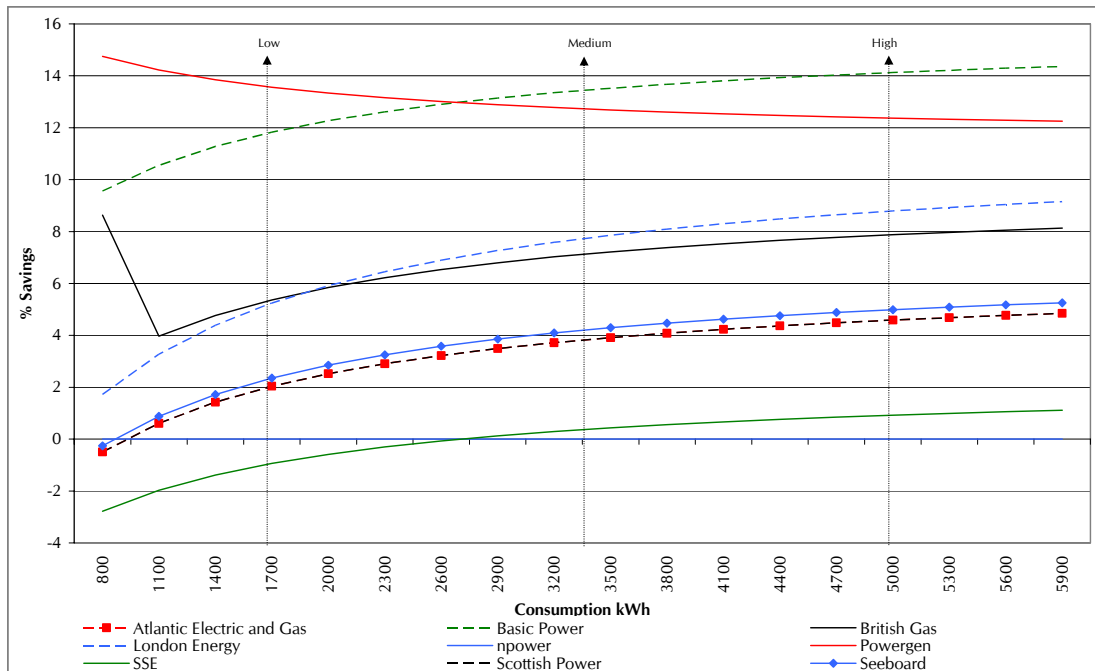
Source: Ofgem

Figure A8.41: Prepayment electricity savings in SWEB area



Source: Ofgem

Figure A8.42: Prepayment electricity savings in Yorkshire area



Source: Ofgem

- 1.6 The Tables below identify the maximum, minimum, median savings, and number of suppliers cheaper than the incumbent for low, medium and high consumption levels for all 14 ex-PES regions, for prepayment.

Table A8.7: Electricity prepayment savings - low consumption

| Region | Min saving (£) | Max saving (£) | Min saving (%) | Max saving (%) | Median saving (%) | Number of suppliers offering discount |
|-------------------------|----------------|----------------|----------------|----------------|-------------------|---------------------------------------|
| East Midlands | 0 | 14 | 10 | 10 | 5 | 1 |
| Eastern | 0 | 14 | 0 | 10 | 2 | 5 |
| London | 1 | 15 | 0 | 10 | 4 | 3 |
| Manweb | 4 | 28 | 2 | 15 | 6 | 7 |
| Midlands | 4 | 14 | 3 | 9 | 3 | 4 |
| Northern | 2 | 22 | 1 | 13 | 4 | 8 |
| Norweb | 1 | 15 | 0 | 10 | 0 | 3 |
| Scottish Hydro | 3 | 14 | 2 | 8 | 6 | 6 |
| ScottishPower | 9 | 30 | 5 | 16 | 7 | 6 |
| Seeboard | 2 | 13 | 2 | 10 | 3 | 4 |
| Southern | 7 | 25 | 4 | 14 | 6 | 7 |
| Swalec | 4 | 24 | 2 | 13 | 5 | 6 |
| SWEB | 2 | 16 | 1 | 10 | 6 | 3 |
| Yorkshire | 3 | 22 | 2 | 14 | 5 | 7 |
| Range of savings | £0-£14 | £13-£30 | 0%-10 | 8%-16 | 0%-7% | 1-8 |

Source: Ofgem

Table A8.8: Electricity prepayment savings - medium consumption

| Region | Min saving (£) | Max saving (£) | Min saving (%) | Max saving (%) | Median saving (%) | Number of suppliers offering discount |
|-------------------------|----------------|----------------|----------------|----------------|-------------------|---------------------------------------|
| East Midlands | 0 | 24 | 0 | 10 | 5 | 1 |
| Eastern | 0 | 24 | 0 | 10 | 2 | 5 |
| London | 3 | 26 | 1 | 10 | 4 | 3 |
| Manweb | 6 | 39 | 2 | 13 | 4 | 7 |
| Midlands | 10 | 36 | 4 | 13 | 7 | 8 |
| Northern | 14 | 42 | 5 | 15 | 8 | 8 |
| Norweb | 1 | 26 | 1 | 10 | 1 | 4 |
| Scottish Hydro | 6 | 26 | 2 | 9 | 6 | 6 |
| ScottishPower | 9 | 38 | 3 | 13 | 6 | 6 |
| Seeboard | 5 | 25 | 2 | 10 | 5 | 6 |
| Southern | 11 | 37 | 4 | 13 | 7 | 7 |
| Swalec | 6 | 41 | 2 | 13 | 3 | 7 |
| SWEB | 7 | 28 | 2 | 10 | 5 | 3 |
| Yorkshire | 1 | 37 | 0 | 13 | 6 | 8 |
| Range of savings | £0-£24 | £24-£42 | 0%-10% | 9%-15 | 1%-8% | 1-8 |

Source: Ofgem

Table A8.9: Electricity prepayment savings - high consumption

| Region | Min saving (£) | Max saving (£) | Min saving (%) | Max saving (%) | Median saving (%) | Number of suppliers offering discount |
|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------------------|--|
| East Midlands | 2 | 34 | 0 | 10 | 0 | 2 |
| Eastern | 0 | 35 | 0 | 10 | 1 | 6 |
| London | 5 | 36 | 2 | 10 | 4 | 3 |
| Manweb | 8 | 50 | 2 | 12 | 3 | 7 |
| Midlands | 21 | 58 | 5 | 15 | 9 | 8 |
| Northern | 23 | 62 | 6 | 15 | 9 | 8 |
| Norweb | 2 | 36 | 1 | 10 | 2 | 4 |
| Scottish Hydro | 8 | 38 | 2 | 9 | 6 | 6 |
| ScottishPower | 9 | 47 | 2 | 11 | 5 | 6 |
| Seeboard | 7 | 42 | 2 | 11 | 4 | 6 |
| Southern | 15 | 52 | 4 | 13 | 9 | 7 |
| Swalec | 13 | 57 | 3 | 13 | 6 | 7 |
| SWEB | 1 | 39 | 0 | 10 | 4 | 4 |
| Yorkshire | 4 | 55 | 1 | 14 | 6 | 8 |
| Range of savings | £0-£23 | £34-£62 | 0%-6% | 9%-15% | 0%-9% | 2-8 |

Source: Ofgem

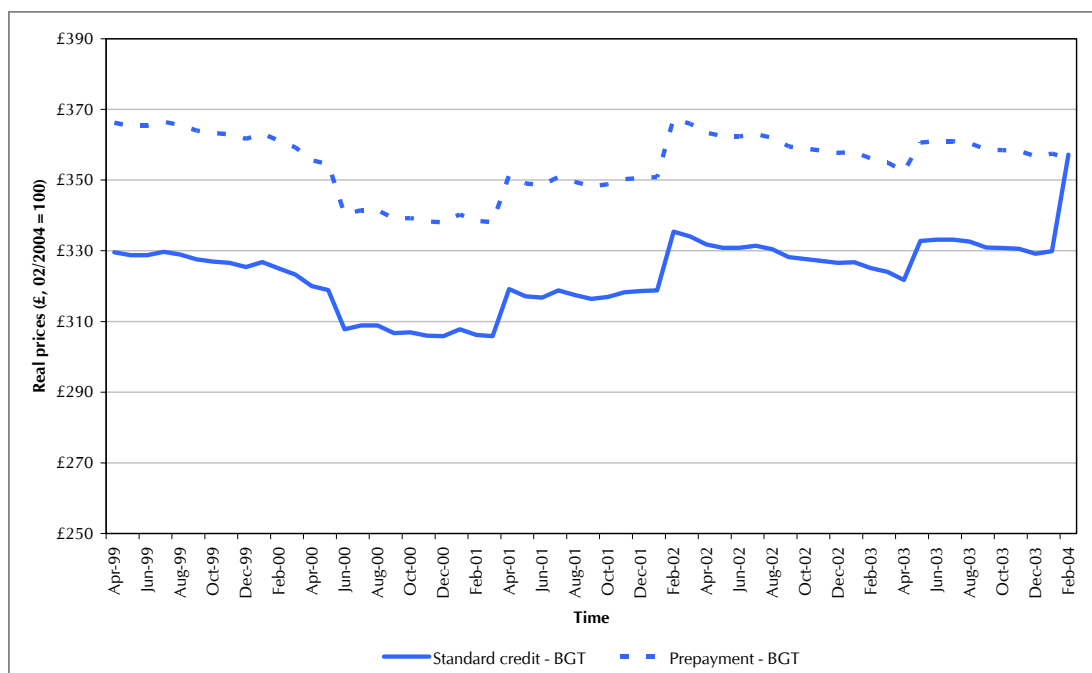
Appendix 9 Prepayment: credit pricing differentials

1.1 This Appendix provides further analysis on the differential between prepayment and credit prices for incumbent and best offer bills (Chapter 4 examined the differential for median bills).

Gas

1.2 The differential between prepayment and credit prices has fallen for BGT and for best offer bills. Figure A9.1 and Table A9.1 illustrate the narrowing of these pricing differentials. For calculating this differential for BGT, Ofgem has chosen prompt pay since BGT's late pay price is pegged to its prepayment price (ie differential of zero). Accordingly, prompt pay (offered as a discount to the late pay price) provides a more meaningful comparison of BGT's relative cost to serve prepayment compared to credit customers against the ex-PESs and median/best prices.

Figure A9.1: Gas BGT prepayment - prompt pay bill differential



Source: Ofgem

Table A9.1: Gas BGT prepayment - prompt pay bill differential

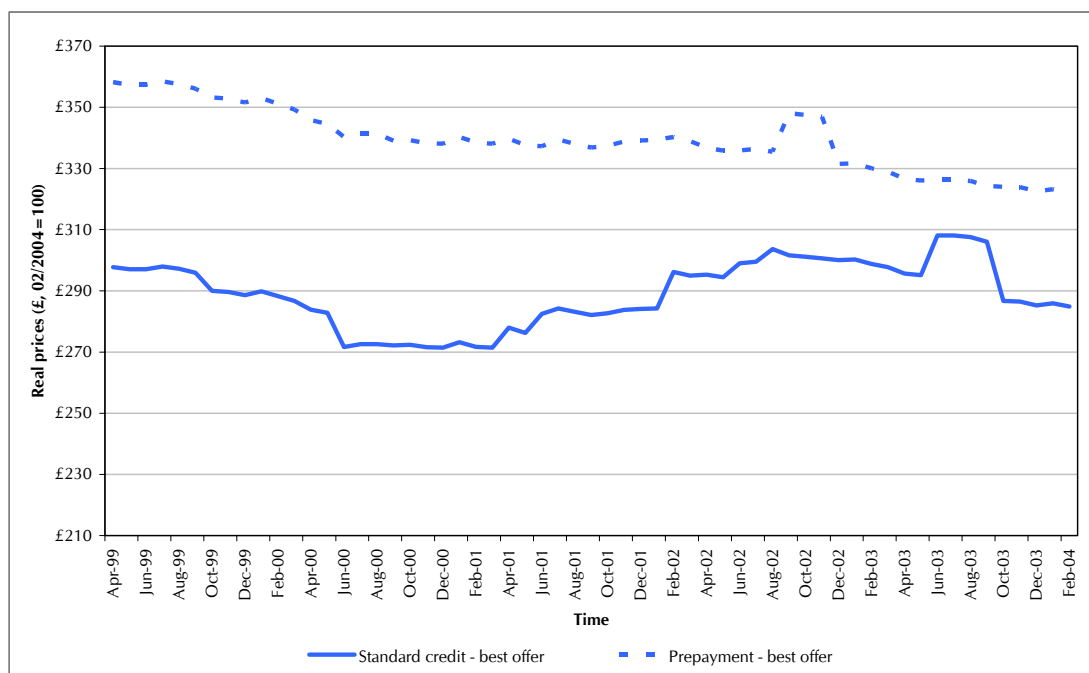
| Date | Price differential (£) | Price differential (%) |
|---------------|------------------------|------------------------|
| April 1999 | 36.70 | 11 |
| April 2002 | 31.60 | 10 |
| February 2004 | -1.1 | 0 |

Source: Ofgem

1.3 BGT raised prompt pay prices in January 2004, and delayed price increases for prepayment prices until March 2004. Since the analysis only considers prices up until February 2004, it appears as if the differential has closed. However, the zero per cent differential simply reflects the differences in timing of price increases and does not reflect a permanent closure in the differential. Preliminary analysis suggests that increases to prepayment prices in March 2004 will not materially widen the differential compared to the most recent period prior to recent increases in prompt pay prices (ie 8 per cent in December 2003).

1.4 Figure A9.2 shows a reduction in the differential for best offer prices.

Figure A9.2: Gas best offer prepayment - Standard credit bill differential



Source: Ofgem

Table A9.2: Gas best offer prepayment - standard credit bill differential

| Date | Price differential (£) | Price differential (%) |
|---------------|------------------------|------------------------|
| April 1999 | 60.5 | 20 |
| April 2002 | 41.5 | 14 |
| February 2004 | 37.1 | 13 |

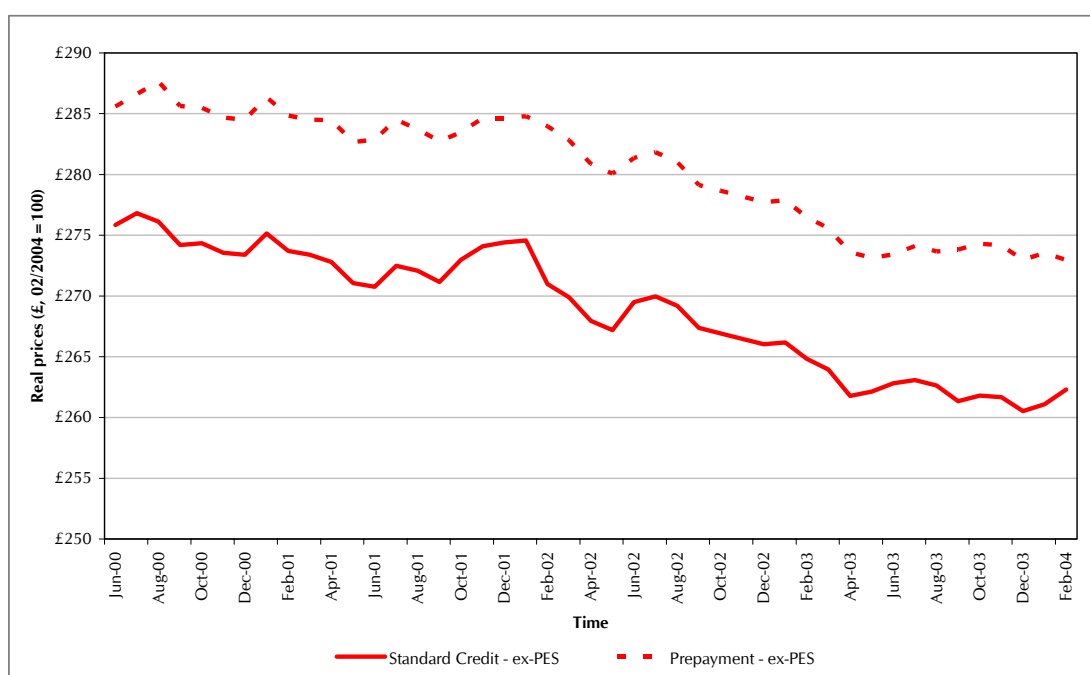
Source: Ofgem

- 1.5 In summary, the prepayment - credit differential for both BGT and best offer gas prices has fallen over time.

Electricity

- 1.6 The differential between prepayment and credit prices has remained at similar levels for the average ex-PES in-area price.

Figure A9.3: Electricity average ex-PES in-area prepayment - credit bill differential



Source: Ofgem

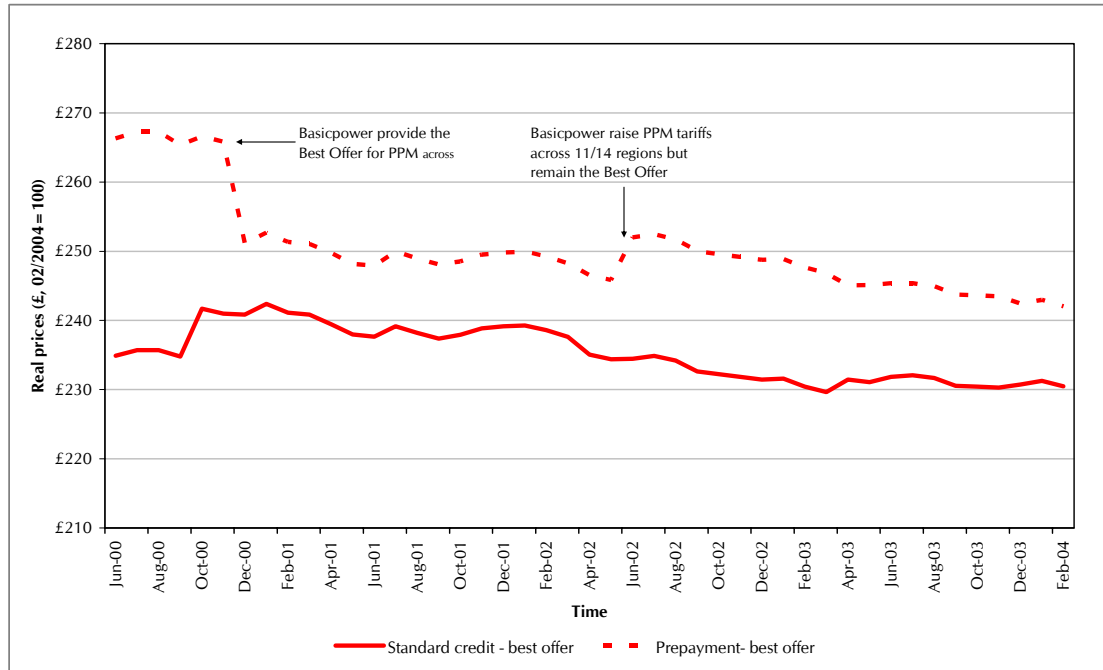
Table A9.3: Electricity average ex-PES in-area prepayment – standard credit bill differential

| Date | Price differential (£) | Price differential (%) |
|---------------|------------------------|------------------------|
| June 2000 | 9.7 | 4 |
| April 2002 | 12.9 | 4 |
| February 2004 | 10.6 | 5 |

Source: Ofgem

- 1.7 The differential has fallen for best offer bills since June 2002 (although has remained at similar levels since then).

Figure A9.4: Electricity best offer prepayment - standard credit bill differential



Source: Ofgem

Table A9.4: Electricity best offer prepayment - credit bill differential

| Date | Price differential (£) | Price differential (%) |
|---------------|------------------------|------------------------|
| June 2000 | 31.40 | 13 |
| April 2002 | 11.50 | 5 |
| February 2004 | 11.60 | 5 |

Source: Ofgem