

Domestic Competitive Market Review 2004

Appendices

April 2004

Summary

This document contains all Appendices to the Domestic Competitive Market Review 2004 ('the Review document').

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Appendix 1 Customers' experiences

- 1.1 This Appendix identifies the number of respondents to the questions asked in each table (numerator). It also includes the sub-sample size (denominator). Whereas Chapter 2 of the Review document reports the weighted proportions from the survey (ie weighted by supplier market share to improve the representativeness of the sample), numbers presented in the Appendix represent the raw unweighted scores, and hence dividing through the response by sub-samples in the Appendix may produce results that differ slightly from those presented in Chapter 2.

Table A1.1: "Were you already aware that you can now buy gas from suppliers other than your local gas supplier?"

Response	2001	2002	2003
Yes	3064/3277	2975/3211	2609/2801

Source: J.D. Power and Associates

Table A1.2: Awareness by demographic breakdowns in gas

Demographic Categories	2001	2002	2003
All domestic gas customers	3064/3277	2975/3211	2609/2801
Payment type			
Direct Debit	1686/1768	1682/1798	1500/1577
Standard Credit	1092/1184	971/1059	804/881
Prepayment	264/299	295/320	264/300
Don't know/other	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)
Income			
< £10,000	455/509	435/496	357/406
£10,000 - £25,000	989/1042	866/925	688/734
£25,000 - £49,999	702/726	599/636	533/554
£50,000+	150/158	149/154	160/167
Don't know	768/842	499/554	448/490
Refused	no category	427/446	423/450

Social Grouping			
AB	626/651	524/550	492/517
C1	925/976	877/938	786/831
C2	773/840	754/804	610/646
DE	702/769	754/848	625/704
Refused	n/a (sample < 100)	n/a (sample < 100)	96/103
Region			
England and Wales	n/a	2624/2832	2338/2505
North of Scotland	n/a	219/233	141/151
South of Scotland	n/a	132/146	130/145
Age			
< 25	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)
25-34	433/461	322/350	299/335
35-44	696/737	612/656	571/594
45-54	639/679	596/632	538/565
55-64	545/570	588/632	501/541
65+	670/740	799/872	606/660
Don't know/refused	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)

Source: J.D. Power and Associates

Table A1.3: "Were you already aware that you can now buy electricity from suppliers other than your local electricity supplier?"

Response	2001	2002	2003
Yes	4704/5009	4159/4505	3327/3601

Source: J.D. Power and Associates

Table A1.4: Awareness by demographic breakdowns in electricity

Demographic Categories	2001	2002	2003
All domestic electricity customers	4704/5009	4159/4505	3327/3601
Payment type			
Direct Debit	2041/2138	1776/1883	1574/1643
Standard Credit	1658/1776	1565/1687	1111/1206
Prepayment	941/1027	785/898	595/697
Don't know/other	n/a(sample < 100)	n/a(sample < 100)	n/a(sample < 100)

Income			
< £10,000	1047/1138	681/792	450/499
£10,000 - £25,000	1739/1820	1177/1267	860/922
£25,000 - £49,999	912/945	751/781	633/663
£50,000+	192/201	173/179	210/219
Don't know	814/905	880/958	560/635
Refused	no category	497/528	614/663
Social Grouping			
AB	691/716	675/702	681/709
C1	1374/1439	1166/1239	933/1008
C2	980/1039	1051/1127	768/822
DE	1601/1755	1192/1353	836/941
Refused	n/a (sample < 100)	n/a (sample < 100)	109/121
Region			
England and Wales	n/a	3686/3973	2853/3062
North of Scotland	n/a	289/329	273/316
South of Scotland	n/a	184/203	201/223
Age			
< 25	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)
25-34	502/536	369/411	422/464
35-44	930/970	739/777	708/757
45-54	983/1041	806/849	618/657
55-64	956/1003	898/962	676/720
65+	1275/1393	1263/1399	772/838
Don't know/refused	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)

Source: J.D. Power and Associates

Table A1.5: "Overall, how would you rate your gas supplier as a provider of services to your home?"¹

Response	2001	2002	2003
Highly satisfied	2325/3277	2513/3211	2088/2801
Indifferent	768/3277	445/3211	448/2801
Disappointed	144/3277	205/3211	234/2801
Don't know	40/3277	48/3211	31/2801

Source: J.D. Power and Associates

¹ Ideally the question would have referred to gas "supply" since the concept of "services" could be taken to include other services such as boiler servicing to energy efficiency.

Table A1.6: Customers 'highly' satisfied in gas - key demographic breakdowns

Demographic Categories	2001	2002	2003
All domestic gas customers	2325/3277	2513/3211	2088/2801
Payment type			
Direct Debit	1260/1768	1409/1798	1172/1577
Standard Credit	828/1184	828/1059	663/881
Prepayment	221/299	255/320	220/300
Don't know/other	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)
Income			
< £10,000	365/509	412/496	341/406
£10,000 - £25,000	758/1042	746/925	546/734
£25,000 - £49,999	511/726	457/636	386/554
£50,000+	118/158	98/154	114/167
Don't know	573/842	449/554	390/490
Refused	no category	351/446	311/450
Social Grouping			
AB	457/651	416/550	358/517
C1	697/976	727/938	596/831
C2	586/840	615/804	499/646
DE	555/769	701/848	569/704
Refused	n/a (sample < 100)	n/a (sample < 100)	66/103
Switchers²			
switcher	1584/2256	1705/2200	1307/1773
non-switcher	741/1021	630/775	643/836
Region			
England and Wales	n/a	2225/2832	1866/2505
North of Scotland	n/a	184/233	112/151
South of Scotland	n/a	104/146	110/145

² This is derived from the group of customers who are already aware that they can buy gas/electricity from

Age			
< 25	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)
25-34	324/461	243/350	211/335
35-44	507/737	467/656	428/594
45-54	483/679	495/632	395/565
55-64	396/570	495/632	433/541
65 +	552/740	765/872	556/660
Don't know/refused	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)

Source: J.D. Power and Associates

Table A1.7: Customers indifferent in gas - key demographic breakdowns

Demographic categories	2001	2002	2003
All domestic gas customers	768/3277	445/3211	448/2801
Payment type			
Direct Debit	415/1768	258/1798	260/1577
Standard Credit	290/1184	145/1059	137/881
Prepayment	58/299	35/320	45/300
Don't know/other	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)
Income			
< £10,000	120/509	45/496	42/406
£10,000 - £25,000	235/1042	127/925	121/734
£25,000 - £49,999	175/726	123/636	112/554
£50,000+	30/158	31/154	39/167
Don't know	208/842	49/554	60/490
Refused	no category	70/446	74/450
Social Grouping			
AB	160/651	84/550	111/517
C1	226/976	144/938	161/831
C2	213/840	125/804	92/646
DE	161/769	79/848	68/704
Refused	n/a sample	n/a sample	16/103
Switchers			
switcher	533/2256	308/2200	297/1773
non-switcher	235/1021	101/775	121/836

suppliers other than their local supplier; it therefore excludes those customers who are not aware of this choice. This group is not reported in the tables.

Region			
England and Wales	n/a	380/2832	403/2505
North of Scotland	n/a	31/233	27/151
South of Scotland	n/a	34/146	18/145
Age			
< 25	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)
25-34	111/461	70/350	81/335
35-44	184/737	120/656	96/594
45-54	155/679	88/632	110/565
55-64	136/570	90/632	71/541
65 +	160/740	64/872	68/660
Don't know/refused	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)

Source: J.D. Power and Associates

Table A1.8: Customers disappointed in gas - key demographic breakdowns

Demographic Categories	2001	2002	2003
All domestic gas customers	144/3277	205/3211	234/2801
Payment type			
Direct Debit	70/1768	112/1798	130/1577
Standard Credit	51/1184	67/1059	67/881
Prepayment	20/299	24/320	33/300
Don't know/other	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)
Income			
< £10,000	18/509	31/496	20/406
£10,000 - £25,000	39/1042	43/925	59/734
£25,000 - £49,999	34/726	50/636	53/554
£50,000 +	9/158	20/154	14/167
Don't know	44/842	40/554	31/490
Refused	no category	21/446	57/450
Social Grouping			
AB	27/651	42/550	45/517
C1	38/976	56/938	66/831
C2	31/840	52/804	52/646
DE	46/769	52/848	54/704
Refused	n/a (sample < 100)	n/a (sample < 100)	17/103
Switchers			
switcher	108/2256	150/2200	151/1773
non-switcher	36/1021	37/775	63/836

Region			
England and Wales	n/a	181/2832	209/2505
North of Scotland	n/a	16/233	10/151
South of Scotland	n/a	8/146	15/145
Age			
< 25	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)
25-34	24/461	31/350	41/335
35-44	43/737	60/656	64/594
45-54	31/679	42/632	57/565
55-64	22/570	40/632	31/541
65+	19/740	25/872	26/660
Don't know/refused	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)

Source: J.D. Power and Associates

Table A1.9: "Overall, how would you rate your electricity supplier as a provider of services to your home?"

Response	2001	2002	2003
Highly satisfied	3557/5009	3343/4505	2521/3601
Indifferent	1214/5009	692/4505	698/3601
Disappointed	206/5009	422/4505	342/3601
Don't know	32/5009	48/4505	40/3601

Source: J.D. Power and Associates

Table A1.10: Customers 'highly' satisfied in electricity - key demographic breakdowns

Demographic Categories	2001	2002	2003
All domestic gas customers	3557/5009	3343/4505	2521/3601
Payment type			
Direct Debit	1526/2138	1391/1883	1178/1643
Standard Credit	1215/1776	1253/1687	808/1206
Prepayment	764/1027	673/898	502/697
Don't know/other	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)
Income			
< £10,000	896/1138	651/792	382/499
£10,000 - £25,000	1310/1820	944/1267	652/922
£25,000 - £49,999	621/945	519/781	432/663
£50,000+	111/201	112/179	121/219
Don't know	619/905	723/958	473/635
Refused	no category	394/528	461/663
Social Grouping			
AB	451/716	493/702	454/709
C1	1003/1439	891/1239	656/1008
C2	737/1039	830/1127	605/822
DE	1323/1755	1068/1353	724/941
Refused	n/a (sample < 100)	n/a (sample < 100)	82/121
Switchers			
switcher	931/1420	1090/1511	1058/1508
non-switcher	2626/3589	2002/2648	1277/1819
Region			
England and Wales	n/a	2958/3973	2131/3062
North of Scotland	n/a	237/329	227/316
South of Scotland	n/a	148/203	163/223
Age			
< 25	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)
25-34	346/536	263/411	259/464
35-44	623/970	523/777	502/757
45-54	721/1041	608/849	455/657
55-64	747/1003	720/962	530/720
65+	1081/1393	1167/1399	686/838
Don't know/refused	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)

Source: J.D. Power and Associates

Table A1.11: Customers indifferent in electricity - key demographic breakdowns

Demographic categories	2001	2002	2003
All domestic gas customers	1214/5009	692/4505	698/3601
Payment type			
Direct Debit	525/2138	319/1883	332/1643
Standard Credit	465/1776	254/1687	245/1206
Prepayment	214/1027	112/898	112/697
Don't know/other	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)
Income			
< £10,000	197/1138	73/792	73/499
£10,000 - £25,000	421/1820	184/1267	168/922
£25,000 - £49,999	283/945	179/781	175/663
£50,000+	77/201	39/179	67/219
Don't know	236/905	133/958	95/635
Refused	no category	84/528	120/663
Social Grouping			
AB	225/716	145/702	173/709
C1	365/1439	220/1239	239/1008
C2	252/1039	159/1127	150/822
DE	359/1755	152/1353	115/941
Refused	n/a sample	n/a sample	21/121
Switchers			
switcher	399/1420	259/1511	287/1508
non-switcher	815/3589	392/2648	359/1819
Region			
England and Wales	n/a	611/3973	606/3062
North of Scotland	n/a	51/329	55/316
South of Scotland	n/a	30/203	37/223
Age			
< 25	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)
25-34	156/536	84/411	145/464
35-44	297/970	154/777	155/757
45-54	266/1041	157/849	139/657
55-64	215/1003	131/962	130/720
65+	261/1393	133/1399	82/838
Don't know/refused	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)

Source: J.D. Power and Associates

Table A1.12: Customers disappointed in electricity - key demographic breakdowns

Demographic Categories	2001	2002	2003
All domestic gas customers	206/5009	422/4505	342/3601
Payment type			
Direct Debit	72/2138	156/1883	122/1643
Standard Credit	84/1776	158/1687	131/1206
Prepayment	45/1027	105/898	79/697
Don't know/other	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)
Income			
< £10,000	39/1138	65/792	40/499
£10,000 - £25,000	83/1820	125/1267	97/922
£25,000 - £49,999	38/945	79/781	55/663
£50,000+	13/201	28/179	28/219
Don't know	33/905	84/958	56/635
Refused	no category	41/528	66/663
Social Grouping			
AB	33/716	62/702	77/709
C1	62/1439	119/1239	101/1008
C2	47/1039	119/1127	59/822
DE	61/1755	116/1353	93/941
Refused	n/a (sample < 100)	n/a (sample < 100)	12/121
Switchers			
switcher	74/1420	147/1511	152/1508
non-switcher	132/3589	224/2648	161/1819
Region			
England and Wales	n/a	367/3973	293/3062
North of Scotland	n/a	34/329	29/316
South of Scotland	n/a	21/203	20/223
Age			
< 25	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)
25-34	34/536	61/411	54/464
35-44	48/970	91/777	93/757
45-54	51/1041	79/849	60/657
55-64	38/1003	97/962	51/720
65+	28/1393	82/1399	61/838
Don't know/refused	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)

Source: J.D. Power and Associates

Table A1.13: “How easy was it to compare tariffs between gas suppliers?”

Response	2001	2002	2003
Very easy	644/1979	548/1952	395/1477
Fairly easy	881/1979	780/1952	599/1477
Not very easy	310/1979	404/1952	300/1477
Not at all easy	115/1979	184/1952	136/1477
Don't know	29/1979	36/1952	47/1477

Source: J.D. Power and Associates

Table A1.14: “Where did you get the information from in order to make comparisons between gas suppliers?” (Top 5 responses in 2003, multiple responses allowed, not prompted)

Response	2001	2002	2003
Representative who called at home (visited)	862/1979	700/1952	419/1477
Directly from gas company	399/1979	450/1952	372/1477
Newspaper/magazine article	172/1979	199/1952	175/1477
Internet – Total	118/1979	149/1952	208/1477
Representative who made a telephone call to home	199/1979	189/1952	126/1477

Source: J.D. Power and Associates

Table A1.15: “How easy was it to compare tariffs between electricity suppliers?”

Response	2001	2002	2003
Very easy	524/2330	555/2151	434/1705
Fairly easy	1030/2330	924/2151	724/1705
Not very easy	524/2330	420/2151	345/1705
Not at all easy	222/2330	191/2151	137/1705
Don't know	30/2330	61/2151	56/1705

Source: J.D. Power and Associates

Table A1.16: “Where did you get the information from in order to make comparisons between electricity suppliers?” (Top 5 responses in 2003, multiple responses allowed, not prompted)

Response	2001	2002	2003
Representative who called at home (visited)	938/2329	739/2151	557/1705
Directly from electricity company(ies)	446/2329	459/2151	475/1705
Internet - total	91/2329	126/2151	178/1705
Representative who made a telephone call to home	371/2329	211/2151	164/1705
Newspaper/magazine article	389/2329	241/2151	149/1705

Source: J.D. Power and Associates

Table A1.17: “Thinking about the last time you switched gas supplier, how easy did you find the whole process?”

Response	2001	2002	2003
Very easy	1427/2257	1320/2200	1024/1773
Fairly easy	514/2257	537/2200	431/1773
Not very easy	157/2257	170/2200	157/1773
Not at all easy	152/2257	173/2200	161/1773
Don't know	7/2257	0/2200	0/1773

Source: J.D. Power and Associates

Table A1.18: “If you were to change gas supplier, how easy would you expect the whole process to be?”

Response	2003
Very easy	322/1028
Fairly easy	345/1028
Not very easy	116/1028
Not at all easy	94/1028
Don't know	151/1028

Source: J.D. Power and Associates

Table A1.19: “Thinking about the last time you switched electricity supplier, how easy did you find the whole process?”

Response	2001	2002	2003
Very easy	794/1427	849/1511	839/1505
Fairly easy	384/1427	408/1511	374/1505
Not very easy	118/1427	124/1511	126/1505
Not at all easy	114/1427	130/1511	166/1505
Don't know	17/1427	0/1511	0/1505

Source: J.D. Power and Associates

Table A1.20: “If you were to change electricity supplier, how easy would you expect the whole process to be?”

Response	2003
Very easy	606/2096
Fairly easy	658/2096
Not very easy	296/2096
Not at all easy	263/2096
Don't know	273/2096

Source: J.D. Power and Associates

Table A1.21: “What were the main reasons for leaving your previous gas supplier?” (Top 5 responses in 2003, multiple responses allowed, not prompted)

Response	2001	2002	2003
Price/Cost	1513/2144	1447/2078	1051/1604
Persuaded by salesman	116/2144	148/2078	117/1604
Convenience of having one supplier - Gas/Electricity	177/2144	146/2078	143/1604
Better customer service	95/2144	104/2078	104/1604
Moved area	31/2144	22/2078	45/1604

Source: J.D. Power and Associates

Table A1.22: “What were the main reasons for staying with your current gas supplier?” (Top 5 responses in 2002, multiple responses allowed, not prompted)³

Response	2001	2002
Price/cost	1341/2911	1237/2921
Didn't want to change	398/2911	693/2921
Power/supply quality and reliability	349/2911	489/2921
Satisfied with current supplier	52/2911	193/2921
Better customer service	346/2911	265/2921

Source: J.D. Power and Associates

Table A1.23: Proportion of customers who have ever switched in gas: key demographic breakdowns

Demographic categories	2001	2002	2003
All domestic gas customers	2256/3277	2200/3211	1773/2801
Payment type			
Direct Debit	1321/1768	1293/1798	1113/1577
Standard Credit	754/1184	704/1059	492/881
Prepayment	164/299	184/320	142/300
Don't know/other	n/a(sample < 100)	n/a(sample < 100)	n/a(sample < 100)
Income			
< £10,000	308/509	307/496	253/406
£10,000 - £25,000	744/1042	648/925	498/734
£25,000 - £49,999	540/726	462/636	376/554
£50,000+	124/158	121/154	113/167
Don't know	540/842	346/554	269/490
Refused	no category	316/446	264/450
Social Grouping			
AB	485/651	398/550	340/517
C1	698/976	671/938	542/831
C2	559/840	559/804	435/646
DE	488/769	530/848	404/704
Refused	n/a(sample < 100)	n/a(sample < 100)	52/103

³ This question is not included in the 2003 survey.
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Region			
England and Wales	n/a	1951/2832	1589/2505
North of Scotland	n/a	162/233	104/151
South of Scotland	n/a	87/146	80/145
Age			
< 25	n/a(sample < 100)	n/a(sample < 100)	n/a(sample < 100)
25-34	326/461	230/350	199/335
35-44	543/737	459/656	410/594
45-54	489/679	455/632	381/565
55-64	392/570	427/632	325/541
65 +	458/740	590/872	400/660
Don't know/refused	n/a(sample < 100)	n/a(sample < 100)	n/a(sample < 100)

Source: J.D. Power and Associates

Table A1.24: "What were the main reasons for leaving your previous electricity supplier?" (Top 5 responses in 2003, multiple responses allowed, not prompted)

Response	2001	2002	2003
Price/cost	931/1293	958/1401	847/1302
Convenience of having gas and electricity with one supplier	64/1293	71/1401	91/1302
Persuaded by salesman	96/1293	91/1401	92/1302
Better customer service	41/1293	56/1401	89/1302
Moved area	31/1293	32/1401	57/1302

Source: J.D. Power and Associates

Table A1.25: "What were the main reasons for staying with your current electricity supplier?" (Top 5 responses in 2002, multiple responses allowed, not prompted)

Response	2001	2002
Price/cost	1037/4387	1230/4140
I didn't want to change	930/4387	1112/4140
Power quality or reliability	342/4387	656/4140
Satisfied with current supplier	129/4387	412/4140
Better customer service	342/4387	373/4140

Source: J.D. Power and Associates

Table A1.26: Proportion of customers who have ever switched in electricity - key demographic breakdowns

Demographic categories	2001	2002	2003
All domestic electricity customers	1420/5009	1511/4505	1508/3601
Payment type			
Direct Debit	771/2138	764/1883	816/1643
Standard Credit	460/1776	532/1687	448/1206
Prepayment	172/1027	205/898	225/697
Don't know/other	n/a (sample < 100)	n/a (sample < 100)	n/a (sample < 100)
Income			
< £10,000	275/1138	266/792	216/499
£10,000 - £25,000	564/1820	445/1267	425/922
£25,000 - £49,999	302/945	297/781	302/663
£50,000+	67/201	67/179	94/219
Don't know	212/905	287/958	232/635
Refused	no category	149/528	239/663
Social Grouping			
AB	210/716	245/702	302/709
C1	444/1439	433/1239	419/1008
C2	312/1039	387/1127	361/822
DE	441/1755	424/1353	386/941
Refused	n/a(sample < 100)	n/a(sample < 100)	40/121
Region			
England and Wales	n/a	1385/3973	1341/3062
North of Scotland	n/a	62/329	73/316
South of Scotland	n/a	64/203	94/223
Age			
< 25	n/a(sample < 100)	n/a(sample < 100)	n/a(sample < 100)
25-34	175/536	139/411	205/464
35-44	314/970	279/777	356/757
45-54	299/1041	277/849	257/657
55-64	274/1003	328/962	315/720
65+	341/1393	460/1399	329/838
Don't know/refused	n/a(sample < 100)	n/a(sample < 100)	n/a(sample < 100)

Source: J.D. Power and Associates

Table A1.27: “Have you ever been contacted by salespeople trying to get you to change your gas supplier?” (Asked only those aware they can change their supplier.)

Demographic categories	2002	2003
All domestic gas customers	2734/2975	2273/2609
Payment type		
Direct Debit	1560/1682	1324/1500
Standard Credit	884/971	696/804
Prepayment	269/295	220/264
Other	n/a (sample < 100)	n/a (sample < 100)
Income		
< £10,000	396/435	319/357
£10,000 - £25,000	808/866	599/688
£25,000 - £49,999	556/599	464/533
£50,000+	125/149	137/160
Don't know	461/499	400/448
Refused	388/427	354/423
Social Grouping		
AB	476/524	425/492
C1	802/877	675/786
C2	701/754	541/610
DE	692/754	557/625
Refused	n/a (sample < 100)	n/a (sample < 100)
Switchers		
switcher	2035/2200	1609/1773
non-switcher	699/775	664/836
Region		
England and Wales	2422/2624	2046/2338
North of Scotland	193/219	119/141
South of Scotland	119/132	108/130

Source: J.D. Power and Associates

Table A1.28: “On the last occasion a gas sales person contacted you, how did they make contact?”

Response	2003
Telephone	732/2273
Post	34/2273
Email	3/2273
Called at home	1371/2273
In street/shopping mall	128/2273
Other	5/2273

Source: J.D. Power and Associates

Table A1.29: “Have you ever been contacted by salespeople trying to get you to change your electricity supplier?”

Demographic categories	2002	2003
All domestic electricity customers	3628/4159	2771/3327
Payment type		
Direct Debit	1568/1776	1329/1574
Standard Credit	1370/1565	899/1111
Prepayment	661/785	505/595
Other	n/a (sample < 100)	n/a (sample < 100)
Income		
< £10,000	592/681	391/450
£10,000 - £25,000	1023/1177	722/860
£25,000 - £49,999	650/751	517/633
£50,000+	154/173	160/210
Don't know	766/880	460/560
Refused	443/497	521/614
Social Grouping		
AB	588/675	546/681
C1	1014/1166	777/933
C2	927/1051	650/768
DE	1034/1192	714/836
Refused	n/a (sample < 100)	84/109
Switchers		
switcher	1376/1511	1342/1508
non-switcher	2252/2648	1429/1819

Region		
England and Wales	3266/3686	2413/2853
North of Scotland	214/289	188/273
South of Scotland	148/184	170/201

Source: J.D. Power and Associates

Table A1.30: “On the last occasion an electricity sales person contacted you, how did they make contact?”

Response	2003
Telephone	999/2771
Post	58/2771
Email	1/2771
Called at home	1513/2771
In street/shopping mall	187/2771
Other	13/2771

Source: J.D. Power and Associates

Appendix 2 Regression specifications: gas modelling

- 1.1 The preferred specification regresses the log of gross switching for each supplier in a given month on the log of the ratio of the supplier's own prices to the incumbent's prices, and the log of the ratio of other suppliers' prices to the incumbent's prices. The regression also includes controls for supplier fixed effects, and a linear time trend.
- 1.2 Frontier treats the population of gross switchers G_{it} , ie the total number of people switching to a given supplier in a given month, as a repeated cross-section. The pooled regression is of the form (using the example of gas):

$$G_{it} = A_i P_{it}^\beta P_{ot}^\gamma P_{bt}^\delta e^{zt} \quad [1]$$

where $i = 1, 2, \dots, N$ denotes the N suppliers and $t = 1, 2, \dots, T$ denotes the time periods. Gross switching to supplier i is explained by its own prices, other firms' prices and the incumbent's (BGT) prices and a function of time.

- 1.3 The sum of the coefficients on prices is not significantly different from zero, suggesting the model in terms of the own price and other firms' price can be expressed as a ratio of incumbent price (ie relative prices matter).

$$G_{it} = A_i (P_{it} / P_{bt})^\beta (P_{ot} / P_{bt})^\gamma e^{zt} \quad [2]$$

- 1.4 The A_i measures the base-line switches, the level that there would be if the price ratios were unity. It captures the scale of the firm and may reflect non-price factors such as level of advertising, doorstep selling, ability to offer a dual fuel package, etc. It would also capture any tendency for the coefficient for that firm to be different from the estimated parameter on the pooled price variable.
- 1.5 The preferred specification is [2], which is estimated in log-linear form:

$$\log(G_{it}) = \log(A_i) + \beta \log(P_{it} / P_{bt}) + \gamma \log(P_{ot} / P_{bt}) + zt \quad [3]$$

where $\log(A_i)$ is decomposed into the regression constant and supplier fixed effect for firm i .

- 1.6 Information on gross switching volumes by supplier (ie completed transfers to that supplier in that month) on a national basis is available by month for the period from September 1998 to August 2003.
- 1.7 Information on the details of mergers and acquisitions was gathered from a variety of sources (web searches, Companies House, Ofgem switching databases, Ofgem documents and the Electricity Association website). Where accurate data on the precise date at which a merger or acquisition was completed was not available, best estimates were used. The date at which a merger was completed is particularly relevant for matching the appropriate tariff data with data on gross switching volume.

Results

Table A2.1: Results for gas time series regression

Dependent Variable is the log of gross switching	Coefficient	t-statistic
Price effects		
Log of the ratio of own price to BGT price	-5.108	-6.99
Log of ratio of average of other supplier prices to BGT price	4.665	3.73
Supplier fixed effects		
Amerada	Omitted	
Amerada.co.uk	-1.224	-9.97
Atlantic Electric and Gas	-0.286	-1.66
Beacon Gas	1.178	6.62
BGT	3.168	27.61
Calortex	1.499	6.00
Cambridge Gas & Electricity	-1.349	-7.61
Countrywide	-4.829	-23.75
Eastern Energy	1.264	8.11
Gas West	-6.185	-14.71
Independent Energy	-0.425	-0.94
London Energy	0.871	5.18
Midlands Gas	0.805	2.32
Northern Electric and Gas	0.967	6.27
Northern Energy	-2.539	-4.56
Norweb Energi	1.149	10.15
Powergen	1.857	16.90
SEEBOARD Energy	0.882	8.19
SWEB Gas	-2.992	-11.74
ScottishPower	1.764	15.32
Southern Electric	1.671	14.62
Sterling Gas	1.622	13.23
Swalec	0.218	1.46
TXU Energi	1.581	13.35
York Gas	-0.410	-1.55
Yorkshire Electricity	-0.046	-0.16
npower	2.120	18.30
Time trend	0.009	3.83
Constant	8.126	36.73

Source: Frontier Economics

- 1.8 The regression results are presented above. The price effects show that as the supplier's own price rises relative to the incumbent (BGT), the number of

switchers going to that supplier falls considerably. A one per cent increase in the relative price leads to a fall in gross switching of five per cent, holding other factors constant.

- 1.9 The positive coefficient on the ratio of other entrant's prices to the incumbent's price shows that for a one per cent increase in the other entrants' relative prices, switching to the supplier rises by 4.7 per cent.
- 1.10 A test of the restriction that the sum of the coefficients on the ratio of own prices to the incumbent's, and others' prices to incumbent's are equal to zero is not rejected. This means that if all prices changed by the same proportion at the same time, then the rate of gross switching to a given supplier would remain unchanged – ie it is relative prices that seem to matter rather than the absolute level of prices.
- 1.11 The supplier non-price factors in the above regression indicate that if there were no price differentials between companies, some companies would continue to get more switchers than others. These fixed company effects might capture, for example, the effect of brand, scale, effort by the supplier (in terms of door-stepping, telephone selling etc) and advertising. In terms of ranking, BGT has the largest fixed effect, followed by npower, followed by a group of suppliers with similar sized fixed effects, including TXU (now a Powergen company), Southern, ScottishPower and Powergen. The fixed effect implies that in the absence of any difference in relative prices BGT and the above suppliers would continue to get more gross switchers. At this level of analysis, it is not possible to draw inferences on why some companies' fixed effects are more substantial than others.

Appendix 3 Regression specification: electricity modelling

- 1.1 The table below shows the results from regressing the log of gross monthly switching by supplier and region on the log of own price, relative to the incumbent price and the log of other entrants' prices relative to the incumbent's price. The model has the same formulation as that shown in the discussion of the gas results, namely:

$$\log(G_{it}) = \log(A_i) + \beta \log(P_{it} / P_{bt}) + \gamma \log(P_{ot} / P_{bt}) + zt$$

but the time trend is excluded given its statistical insignificance.

- 1.2 Information on gross switching volumes by supplier (ie completed household transfers to that supplier) on a regional basis is available by month for the period May 2002 to July 2003. Ofgem has collected this information from the DNOs.
- 1.3 Gross switching preceding May 2002 is only available at the national level from the licensed suppliers themselves. This dataset is available for the period September 1998 to August 2003 and covers all supplier companies. It is collected for all NHH (sub 100kW) metered households, and might include, for example, gross switching to an ex-PES operating outside its own region.
- 1.4 For the time series analysis, regional level data was used rather than the national level data. This was based on the view that any analysis of switching and prices should be conducted on a regional basis, as virtually all suppliers (including all of the larger suppliers) price regionally. Furthermore, the first source of data provides information that pertains to domestic households only, while the sub 100 kW market is slightly wider and does not therefore provide a perfect match with the available tariff data. As for gas, the supplier name and the parent company for each supplier is identified in order to account appropriately for mergers and acquisitions. Information on the dates of mergers and acquisitions was used when matching switching data to the price variables.
- 1.5 The results here are broadly similar to those in gas – as the relative own price increases, switching declines, and as the 'other' relative price increases,

switching increases. Furthermore, the restriction that the coefficients sum to zero is not rejected by the data.

- 1.6 The ranking of the supplier non-price effects follows a similar pattern in electricity as in the gas market. Once again, the largest suppliers all have the largest positive non-price factors.

Results

Table A3.1: Results for electricity time series regression

Dependent variable is the log of gross switching	Coefficient	t-statistic
Price effects		
Log of the ratio of own price to incumbent price	-3.109	-5.030
Log of the ratio of average of other supplier prices to incumbent price	3.655	2.840
Supplier fixed effects		
Amerada	Omitted	
Amerada Online	1.442	16.480
Atlantic Electric and Gas	2.217	22.420
BGT	5.833	73.260
London Electricity	2.604	21.460
Powergen	4.067	44.820
Scottish Hydro	-1.021	-6.550
ScottishPower	3.762	31.230
Seeboard	0.511	3.800
Southern	2.790	23.110
Swalec	-0.037	-0.270
Sweb	-0.370	-3.110
TXU	3.622	37.970
Basicpower	0.070	0.600
npower	4.064	46.360
Unit{e}	0.721	3.670
Regional Effects		
East Midlands	Omitted	
Eastern	0.236	2.480
London	-0.529	-6.930
Manweb	-0.858	-8.580
Midlands	0.385	4.490
Northern	-0.438	-3.870
Norweb	-0.349	-4.450
SWEB	-0.534	-5.490
Scottish Hydro	-2.405	-19.630
ScottishPower	-1.024	-5.510
Seeboard	-0.327	-3.840
Southern	0.218	1.950
Swalec	-0.935	-9.930
Yorkshire	-0.138	-1.540
Constant	4.262	19.260

Source: Frontier Economics

Appendix 4 Additional switching statistics

Table A4.1: Data for figures 4.1 and 4.2, gross switching (in percentage), summer 1998 - 2003

Date	Electricity		Gas	
	J.D. Power and Associates	MORI	J.D. Power and Associates	MORI
Summer 1998				17
Summer 1999		11		25
Summer 2000		19		29
2001	37	38	37	37
2002	43		39	
2003	51		47	

Source: MORI, J.D. Power and Associates

Table A4.2: Data for figure 4.3, net switching, quarterly average (in percentage), April 1996 – December 2003

Date	Gas	Electricity
1996 Q2	0	0
1996 Q3	0	0
1996 Q4	0	0
1997 Q1	0	0
1997 Q2	1	0
1997 Q3	2	0
1997 Q4	3	0
1998 Q1	4	0
1998 Q2	8	0
1998 Q3	13	0
1998 Q4	17	0
1999 Q1	20	2
1999 Q2	22	5
1999 Q3	24	8
1999 Q4	26	11
2000 Q1	27	14
2000 Q2	28	16
2000 Q3	28	19
2000 Q4	29	22
2001 Q1	30	24
2001 Q2	31	27
2001 Q3	32	29
2001 Q4	33	31

2002 Q1	34	33
2002 Q2	35	34
2002 Q3	36	35
2002 Q4	37	35
2003 Q1	37	36
2003 Q2	37	37
2003 Q3	38	37
2003 Q4	39	38

Source: Gas -Transco and Gas Suppliers, Electricity - DNOs

Table A4.3: Data for figure 4.4, multiple switching at national level, annual (in percentage) 2001-2003

Date	Electricity	Gas
2001	32	34
2002	33	41
2003	34	39

Source: J.D. Power and Associates

Table A4.4: Data for figure 4.5 - gas switching flows, quarterly averages, April 2002 – December 2003

Date	Gains			Losses			Net change	
	BGT	Other	Total	BGT	Other	Total	BGT	Other
2002 Q2	79,532	221,448	300,981	-136,002	-164,979	-300,981	-56,469	56,469
2002 Q3	88,862	210,294	299,156	-123,655	-175,501	-299,156	-34,793	34,793
2002 Q4	86,282	189,804	276,086	-112,839	-163,247	-276,086	-26,557	26,557
2003 Q1	79,239	145,012	224,251	-86,450	-137,801	-224,251	-7,211	7,211
2003 Q2	73,718	163,980	237,698	-106,505	-131,193	-237,698	-32,787	32,787
2003 Q3	72,148	197,608	269,755	-124,510	-145,245	-269,755	-52,363	52,363
2003 Q4	76,041	211,921	287,962	-112,127	-175,835	-287,962	-36,086	36,086

Source: Gas Suppliers

Table A4.5: Data for figure 4.6 - electricity switching flows, quarterly averages, April 2002 – December 2003

Date	Gains			Losses			Net change	
	Ex PESs (in area)	Other	Total	Ex PESs (in area)	Other	Total	Ex PESs (in area)	Other
2002 Q2	103,129	353,744	456,872	-193,835	-262,982	-456,817	-90,707	90,762
2002 Q3	116,604	330,153	446,756	-187,590	-259,409	-446,999	-70,986	70,743
2002 Q4	99,677	327,049	426,726	-170,608	-255,104	-425,712	-70,931	71,946
2003 Q1	79,691	269,840	349,531	-148,985	-200,454	-349,440	-69,295	69,386
2003 Q2	83,223	261,810	345,033	-150,863	-194,162	-345,025	-67,640	67,648
2003 Q3	86,906	269,353	356,258	-157,552	-188,553	-346,105	-70,646	80,799
2003 Q4	87,823	273,744	361,567	-167,428	-194,115	-361,543	-79,606	79,630

Source: Distribution Companies