

I am disappointed that your proposals do not include abolishing standing charges, whether in the form of direct charges, or hidden as higher tariffs for the first part of consumption.

Standing charges amount to a poll tax for the provision of a public utility which is considered essential to modern life. The effect is that those who use the least power pay the most per unit of consumption, while those who are profligate pay only the basic tariff for any extra energy they use. This is not only unjust, but provides a perverse incentive to economise on fuel use - the poor may make drastic, even life-threatening, cuts in usage but see only a minor reduction in bills; the better off, who use far more energy, have little incentive to economise. For many people, standing charges or equivalent make up a quarter or even a third of their total costs, over which they have no control at all.

All suppliers should, in my opinion, be allowed to offer only one tariff for each distinctive product, (dual fuel, direct debit, fixed rate, "green", etc). The tariff should be sufficient to cover all infrastructure costs, as is normal in most retail industries. I further would suggest that, notwithstanding the acknowledged costs of pre-payment meters, as a matter of social policy the same tariffs should be applied to these as to quarterly bills - the suppliers do after all benefit from the certainty of payment.

My final suggestion, if we are serious about incentivising energy economising and tackling fuel poverty, is that those who consume more than the average each year could see that "extra" consumption charged at a higher tariff, while the first part of consumption could be at a reduced rate, exactly the inverse of the current price structure. If, for example, the current average electric use per household is taken as 6000kwh, then consumption above that level could be charged at, say, 50% extra, while the first 3000kwh might be 50% cheaper than the basic tariff. In this way, the profligate would be penalised and the frugal/poor subsidised. As average consumption is, hopefully, driven downwards, the scheme would be adjusted accordingly.

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