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Sent by email

**13th July 2017**

Dear Neil,

**Response to consultation on Ofgem's proposal to revise the Typical Domestic Consumption Values for gas and electricity.**

This submission was prepared by Citizens Advice. Citizens Advice has statutory responsibilities to represent the interests of energy consumers in Great Britain. This document is entirely non-confidential and may be published on your website. If you would like to discuss any matter raised in more detail please do not hesitate to get in contact.

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We are supportive of Ofgem's decision to update the Typical Domestic Consumption Values (TDCVs) for gas and electricity. Although consumers should use their own accurate consumption data where possible, sometimes this isn't available. Where a consumer needs to use a comparison based on TDCVs, it is important that this data reflects typical usage as closely as possible. This can help avoid unexpected increases in payments or a shock bill.

We have previously raised concerns about the differing values by different bodies for Economy 7 consumption splits.<sup>1</sup> We welcome the publication of standard values for both the national average and regional split between peak and off-peak usage based on settlement data, to help create consistency across industry.

We note that there is a broad range of regional values within this data. Ofgem should publish this regional breakdown to improve transparency about how consumers are using their Economy 7 meters in different parts of the country. Assuming Ofgem takes forward its preferred approach in relation to reforming the

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<sup>1</sup><https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/energy-policy-research-and-consultation-responses/energy-consultation-responses/response-to-cma-consultation-on-the-prepayment-charge-restriction-order/>

Personal Projection<sup>2</sup>, this data could also be used by suppliers and price comparison websites to provide an estimated annual cost for consumers who don't know their consumption split.

We are supportive of the proposal to use the updated consumption split data for assessing compliance with the prepayment cap, and any other price caps that Ofgem may introduce. Ofgem should consider whether there would be benefit in using the regional data to assess compliance with the prepayment cap, rather than applying the national average. This would ensure that time of use tariffs affected by the cap more accurately reflect consumer usage in each region.

The data currently used to review the TDCVs has a time lag associated with it (this review is based on data for 2014 and 2015). Given that consumption has decreased significantly since 2010, this suggests that the new values may necessarily overestimate consumption. Ofgem may want to consider more frequent reviews of the TDCVs to provide a more timely assessment of consumption.

Yours sincerely,

Alice Brett,

Policy Researcher, Citizens Advice

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<sup>2</sup><https://www.ofgem.gov.uk/publications-and-updates/personal-projection-updated-thinking-way-forward>